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# FINANCIAL TIMES

No. 26,963

Friday May 7 1976

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## NEWS SUMMARY

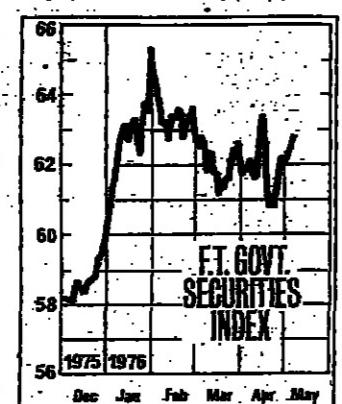
GENERAL

BUSINESS

Dublin arrests 3 SAS men

Gilts gain 0.35 but equities slip 2.8

● GILTS improved on predictions of a fall in the U.K. rate of inflation to only 4 per cent.



by the end of next year. Longs were active with gains ranging to 14. Government securities index rose 0.35 to 62.82.

● EQUITIES failed to hold initial small improvements. Up 1.3 at 10 a.m., the FT 30-share index ended the day 2.3 down at 417.8. Gold Mines index fell 9.6 to 178.6.

● STERLING eased 15 points to \$1.3235 and its weighted depreciation widened to 37.8 (37.4) per cent. Dollar's weighted average widened to 193 (172) per cent.

● GOLD lost \$1 at \$127.1.

● WALL STREET was up 2.05 at 988.51 towards the close.

● FRANCE may have a surplus of 2m tonnes of sugar available for export in the 1976-77 season. Page 29

Tin prices reach new peaks

● TIN PRICES soared to record levels on the London Metal Exchange with three-month standard tin closing at £4,172.5 a tonne, up £111 on the day. Page 29

● UK CAR sales in April were 24 per cent. up on 12 months earlier. Back Page

● FRIENDS' PROVIDENT Board is strenuously resisting a move by a group of employees to nominate four directors to the life office. Men and Matters, Page 16

● ANGOLA confiscated seven major industrial concerns and placed them under State control. Page 7

● ARGENTINA's cost of living rose by 713.4 per cent. in the last 12 months, a world record. Page 6

● LLOYDS BANK International is making a £90m. loan, backed by the Export Credits Guarantee Department, to help finance capital goods contracts placed in the U.K. by Brazilian buyers.

● COMPANY FAILURES in the first three months of 1976, at 1,535, reached their highest recorded level for at least 16 years. Page 8

● COMPANIES

● DUNLOP turnover exceeded £1bn. for the first time in 1975, when pre-tax profits rose to £52m. (£44m.). Page 18 and Lex

● NATIONAL AND COMMERCIAL Banking Group pre-tax profit for the six months to March 31 jumped to £28.25m. (£19.04m.). Page 19 and Lex

● AKZO, the Dutch chemicals group, made a net profit of £1.22m. (£4.5m.) in the first quarter—compared with a loss of £1.552m. in the same period last year. Page 20 and Lex

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISSES	FALLS
Treas. 129pc '93 "A" + 1	
Treasury 129pc '97. £101 + 14	
Ash and Lucy ..... 107 + 5	
Seaver ..... 65 + 5	
Clarke (Clement) ..... 70 + 5	
Corn Exchange ..... 120 + 18	
Fox's Biscuits ..... 145 + 8	
Gerrard and National 288 + 2	
Greenbank Ind. Trust 54 + 4	
Gros Cash Registers 40 + 6	
Marshall's Universal 132 + 8	
Weyburn Engineering 240 + 10	
Winton D. ..... 510 + 53	
Winton D. ..... 135 + 11	
Winton D. ..... 100 + 10	
Grootveld ..... 340 + 25	
Kinrossfontein Ests. £154 + 2	
Unisul ..... 203 + 14	
Ventersport ..... 203 + 14	
Wt. Nigel ..... 44 + 4	
United Biscuits ..... 134 + 7	

## Shell/Esso to spend £3.5bn. in North Sea oil exploration

BY RAY DAFTER, ENERGY CORRESPONDENT

The Shell-Esso joint venture in the North Sea is to spend £3.5bn. on oil exploration and field development over the next six years. The new offshore programme, announced yesterday, includes the likely development of two new finds: the Tern Field and the extension of their Cormorant Field.

At the same time, Texaco announced that it was planning to develop its find on block 15/16, some 115 miles north-east of Aberdeen. The reservoir, discovered in 1974, has now been named the Tartan Field.

The group said that the discovery, followed by five successful wells, warranted detailed studies into development prospects. It is possible, for instance, that Texaco will feed its oil from Tartan—and conceivably from reserves on the adjoining block 14/20—through the Occidental group's Piper pipeline.

Texaco is now looking into possible multi-well platform designs. If the studies prove successful, the group may decide to place an order late this year in order to achieve initial production by 1980.

Shell-Esso's expansion plans should also result in new platform orders being placed in U.K. yards, although there is little likelihood of these being awarded this year. This will be a disappointment to British platform fabricators, most of whom are now seeking new work to offset dwindling order books.

Mr. Bill Bell, chief executive of Shell Exploration and Production, the operator for Shell-Esso in the North Sea, said that more evaluation was needed on Cormorant and Tern before the group could decide on the type of platforms required: concrete, steel or floating structures.

Tentative plans suggest that the order for the Cormorant extension platform will be placed first, probably in the first half of next year, followed by another for Tern early in 1978.

Continued on back page

North Sea Oil Review, Page 26

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North Sea Oil Review,

# The debts issue is crucial, too

BY C. GORDON TETHER

THE FATE of the integrated have been loth to consider going plan for commodities on which much further than extending the developing world has set its heart may well be the most important of the big political issues before the current UNCTAD conference in Nairobi. But the external debt issue certainly runs it a close second.

As the briefing paper prepared by the Overseas Development Institute points out, to the non-oil developing countries what happens here will be of far more immediate importance than the outcome of the commodity tussle. And there is also the fact that it could have implications of the greatest significance for all advanced world financial institutions—official and private—that are owed large sums of money by Third World countries.

The immensity of the problem which the growth of foreign indebtedness is throwing up for the non-oil producing developing countries may be gauged from projections made by the UNCTAD Secretariat. They indicate that, if these countries are to meet the—the unhappily—all too modest target rate of growth set for the Second Development Decade, their import requirements will expand at a rate that would force their deficits on goods and non-financial services account up from the current level of \$35bn. to \$70bn. by 1980. Interest payments, profit remittances and amortisation would add a formidable \$70bn. to this.

## Major change

Thus even if it were not painfully evident that a number of developing countries are already coming up to the point where they find themselves with no real option but to start defaulting on their maturing obligations, it would still be necessary to think in terms of promptly organising a drastic overhaul of this aspect of the international indebtedness problem.

That calls for a major change in the attitude of the creditor countries. For the UNCTAD secretariat is certainly not doing them any injustice when it labels their "soft attitudes" as an "inadequate response to the situation." And, though there is a certain amount that can be done to meet the situation within the present context, there is no doubt that an assault on the problem on the scale required—and with the urgency required—can only come about as a result of a political decision to sanction some form of moratorium for poor country debts.

The big question, of course, is what form this should take. Hitherto the advanced countries have

SALEROOM

BY MICHAEL THOMPSON-NOEL

## £4,600 for Archangel Michael

THE astonishing buoyancy of the stamp market was further underlined in a £63,654 Robson Lowe sale in Bournemouth yesterday which easily broke pre-sale forecasts.

Among yesterday's successes was a consignment of stamps and other items crammed into seven cardboard boxes and weighing 160 lbs. It was expected to fetch £400 but made £1,450.

Last week the company staged a two-day sale in Geneva which was expected to bring in £350,000 but produced £430,000. "The market is phenomenal at the moment," said the company. "Bidders are leaving their pencils in the air until they get what they want."

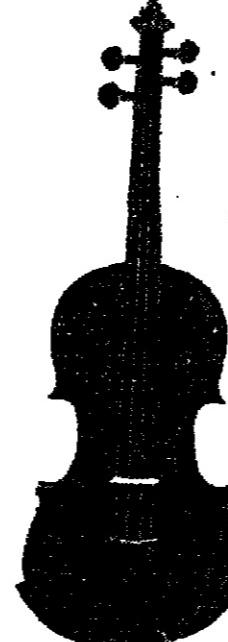
In Johannesburg the first day of an international Stanley Gibbons stamp auction realised £143,440. The high point came with the sale of a rare unused example of Canada's 1851 12d black which fetched a record £27,390.

In London, the highest price in a £171,723 sale of musical instruments at Sotheby's was the £22,000 paid privately for a violin by Joannes Baptista Guadagnini made in 1761, while another private buyer paid £14,000 for a Stradivari (Cremona, 1736). This particular violin was the work of Antonio's son, Ombobono, who with his brother Francesco worked in his Mantua made £10,500. What a Bonham's paintings sale in the catalogue described as a total of £70,813 and a furniture sale produced £15,092.

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The Financial Times Friday May 7, 1976

## Opera Garden

# A Midsummer Night's Dream

by ELIZABETH FORBES

Covered Garden on Wednesday. Julian Litman, who has played Britten's opera *A Midsummer Night's Dream*, staged by John Copley, the production now 15 years old, is in spick and span condition, while John, the ips' sets, carefully lit by William Bondy, still shimmer fairies is a talented and har- monious bunch. John Foulkes' amusing *Moth* deserves special mention for his acting ability.

James Bowman as Oberon; his voice fills the theatre comfortably, proving once again that he role can be sung by a counter tenor in a large-sized house.

That Britten knew very well what he was doing when he wrote the part for that voice.

Mr. Gowen is well partnered by Jill Gomez as Titania; she sings her lovely music with pure, determined Demetrios complete flesh tone and moves gracefully.

The quartet. Each sings well with even greater refinement.

## Fortune

# Gigi

by B. A. YOUNG

Colette's tale of the 16-year-old girl from a family of grandes horizontales who is more interested in getting married than kept is a thoroughly reliable play that can almost be made to look like a masterpiece. The stage adaptation by Anita Loos cannot match the novel, because it misses the sensuousness of Colette's writing, the physical feeling for such things as clothes and food and furniture; but it is true romance — better perhaps with songs, which it doesn't have at the Fortune.

*Gigi* doesn't quite seem like a masterpiece in this production. It has Lila Kedrova as *Gigi*, the bawdy great-aunt with the distinguished horizontal history who makes it her business to set up the child-widower Gaston Lachaille with the wealthy young gallant. Miss Kedrova's acting is a mass of mannerisms, her syllables jerked out like puffs of steam from an express locomotive; her voice breaking out in moments of special exaltation into a squeak like an angel's hiccup; but anything she does is all right with me as long as she takes care to make all her words clear.

It has Veronique Quilligan as *Gigi*, beautifully natural and

Book Reviews are on

Page 12

down to earth, horribly uncomfortable in the smart clothes Alicia has provided for her, a genuine schoolgirl in her serviceable town dress. I liked her performance very much.

Nothing else carried me away, apart from Kenneth Mellor's remarkable set with *Gigi*'s home on one side and Alicia's boudoir on the other. Simon Williams does not show panache enough for a society leader of the Belle Epoque, and his voice becomes curiously shrill now and then when it should remain crisp and even and impervious to the dictates of the emotions; and as *Gigi*'s grandmother, Alicia's sister, Mary Kerridge is altogether too domestic. She too has been gay in her time, and she is deep in the plot to set *Gigi* up as a kind woman.

I get the impression that David Giles, the director, must have told everybody "to have a go," even in the smallest clothes, which ought to be kept flat, part of the scenery. So as *Gigi*'s mother Anna Sharkey gives a music-hall impression of bad opera-singer at home, squawking and screaming at her *Lakme* Bell song and her scales to fill up uneventful passages that should be left uneventful. Even Clifford Parrish as Alicia's manservant Victor, doubtless meaning to "make something interesting" of the part, has apparently become one of the family rather than a continental Jeeves.

Good tear-jerker then, not masterpiece. It has some telling moments on the way to its saccharine conclusion, but it remains a work of craft rather than art. I'm not sure I didn't like it better with songs.

## Thorndike, Leatherhead

# The Lady from the Sea

by JEREMY KINGSTON

The late works of grand old playwrights are tempting, like giant oaks, but tricky to land View them ashore and they shift before our eyes from marbles of the deep to pretty peculiar monsters. Particularly is this 'true' of Ibsen when his plays contain at the same time profound insight into the nature of man and a compression of events dangerously akin to self-parody.

*The Lady from the Sea* exhibits in full the qualities that make a production worth trying and the difficulties that stand in the way of triumph. Ellida has allowed herself to marry the amiable Dr. Wangel to avoid the crisis of spinsterhood. In so doing she has betrayed the mystic marriage celebrated many years before with a strange sailor possessed of hypnotic eyes. But the claims of the past cannot be thrust aside. On the same day that a young consumptive happened to mention he once encountered a strange sailor on a boat that same sailor happens to reappear, in the darkly romantic person of Frank Barrie, to demand that Ellida shall join her life with his, with the roaring flood, with the wild sea.

## Theatre Royal, Brighton

# Tom Jones

by GILLIAN WIDDICOMBE

For his 18th opera, the 26-year-old British composer Stephen Oliver has concocted a sparkling, raunchy musical farce roughly based on Fielding's *Tom Jones*. After preliminary performances on tour, it appeared as part of the Brighton Festival on Wednesday, brightly and wittily staged by Colin Graham with his new group, English Music Theatre. Oliver's 3-act score augurs well for the sort of work this reformed English Opera Group will be undertaking. The cast is two dozen-strong, young and varied; the orchestra is small, with plenty of percussion and wind but only seven strings.

Predominantly a vocal score, with theatrical potential to the fore, it is obviously tailored to the EMT's resources. Since 1971, when the *Duchess of Malfi* revealed Oliver's rich, fluent operatic talent, he has not been idle and some 13 short operas for small forces have intervened. However, *Tom Jones* is his first 3-act opera in professional production.

From Fielding's huge, intricate social comedy, only principal characters and the rake's plot line remain. The libretto (Oliver's own) is cast in swift, witty dialogue, deftly mixing period elegance, with arse-and-fit business, the slick lowliness of which is wholly modern. Even Wednesday's first-night audience in the Theatre Royal laughed loudly and often; and I wondered more than once whether Oliver had been more inspired by that Richardson's funny film than by Fielding's explanatory pace and wellelled satire.

At first it seems peculiar to co-opt wrangling deities and put the bastard Tom in mythological setting. In practice, it works well. Obviously Oliver wanted to transpose the matter, if not the letter, of Fielding's long introductory paragraphs, and the moral attitudes expressed by

## Cinema

# The censor's day off

by NIGEL ANDREWS

Tenderness of the Wolves (X) Gate Brown Ale with Gertie (X) Gate Lies My Father Told Me (A) Columbia

Fritz Haarmann was executed in Germany during the 1920s for the murder, accompanied by sexual assault, of some 25 adolescent boys. A sanitised version of the Haarmann story was presented by Fritz Lang in his 1931 film *M.* Raab's bald and broody murderer is a near-fascimile of Lorre, the police officer is viewed with Langian cynicism). But the spark that might have welded the different scenes and different influences together never comes, and the frozen, picture-book style that is so effective in Fassbinder's own work here except to repeat that it is one of the best British films I have seen in recent years, and that any British producer looking for native talent to invest in should hurry along to the Gate at the first opportunity.

Unfortunately the Press reaction to the report has been largely a fire-at-will operation, unco-ordinated in its timing and inconsistent in its direction. Some of the more innocuous, even rational, proposals of the report have received a savage peppering, while the targets that seem to me to sit up and beg to be shot at have mostly escaped with a few minor grazes. Four weeks ago I wrote about the increasing threat to cinema-going,

furthermore, the film gives the impression of marking time between its gory set pieces. Our hero's custom is to lure some comely youth up to his attic room and having seduced him, to sink his teeth into the young man's neck. The film is set in some indeterminate period of German austerity (a telescoping of the Twenties and Thirties), and between murders Haarmann is shown as operating a profitable black-market side-line by chopping his victim's hands up and selling them as "butcher's meat."

Here at least the film seems uncertain, even careless, of its tone: is this black comedy or a tragic allegory of man's exploitation of man? The noncommittal style blurs any distinction between the two, and gives to the scenes that fill out the rest of the film — Haarmann's activities as a police informer, the prurient curiosity of the female neighbour (Margit Carstensen) who hears Herr Haarmann's midnight shopping activities — an all-purpose air of the macabre that tells us nothing about the hero's actual motives and emotions, and precious little about those of the society that persecutes him.

When the film was shown at the Berlin film festival three years ago, it was picketed by members of Germany's Gay Liberation Front. They felt that at a time when homosexuals were being persecuted, the idea that God is Good (or at least innocent) it doesn't help when a film comes along which confirms the stereotypes of public hostility by confining its depiction of homosexual activity to paedophilia, vampirism and murder. Although I don't share the GLF's militant paranoia, a suspicion does occur to me that the reason this unusually explicit chronicle of atrocity has got past the British censor is that it is no threat — rather a gentle boost — to the moral prejudices of society. For those who already believe that it is but a short step from homosexuality to child-murder, and worse, here one might think, is ample encouragement for their views.

If I find myself writing around the film rather than about it, it's because *Tenderness of the Wolves* is one of those works more interesting for the moral dust they raise than for their

second half of the Gate cinema's new programme. *Brown Ale with Gertie* is another film in which sex and violence rear their controversial heads. (Was the censor in mellow mood when he passed these films uncensored?) Alan Brown's back-handed tribute to *Cider with Roscoe*, a portrait of adolescence that repeats pastoral nostalgia with industrial diaglogue, is brimming with violence. Murder and hanging-banaging are two of the activities featured here, but unlike *Tenderness of the Wolves*, this 30-minute film by a young British director (it was financed by the

Government is the major threat to the working party on the future of the cinema industry in this country. The British film industry must try, and those who would offer no resistance to the proposed sound of brickbats flying through reduction of the ban on TV at length some weeks ago (when it appeared at the Thames film Fleet Street). The missiles are five years to three years, would still be being hurled, and fresh do well to consider these statistics were recently provoked by the ratification of the party's document:

"A proper study of the market would be based almost immediately to come to the conclusion that television itself has been the principal cause of the decline in cinema admissions. The date from which cinema admissions have continuously fallen is 1948 when admissions to cinema were approximately 1,500m per annum. In the eight years to 1955 they fell to 1,100m. Admissions per annum. With the opening of commercial television, the admissions fell more steeply and in the three years to 1958 the fall averaged about 15 per cent per annum. From that point the decline became more gentle and for the two years to 1965 the rate of decline was down to appreciably under 3 per cent per annum. However, that was the point (September 1964) at which the minimum age of films shown on television was reduced from 10 years to five years and a sharp increase in the rate of decline ensued, the three years to 1968 yielding a decline of nearly 9 per cent per annum."

At the present time — with something like 1,000 feature films networked on TV each year — television in this country functions not just as an alternative entertainment to the cinema, but as a surrogate cinema in its own right. As the CEA's document points out elsewhere, every other major film-making country in the Western world has some kind of restriction — built in by design or accident — on the competitive power of TV as a showcase for films. America has the built-in repellent of commercial breaks. France and Italy have strict limits on the amount of viewing time that can be devoted to feature films. If such a policy were put into operation here, there would be instant cries of "restrictive practices." But unless some curb is placed on the ready and prolific accessibility of not-so-good feature films on TV, and some attempt made to make them more attractive to the general public — we will soon be making even fewer films in Britain than we are now, and having even fewer cinemas to show them in.

Kurt Raab assessing a victim in *Tenderness of the Wolves*

## Festival Hall

# Fricker's Fifth

by RONALD CRICHTON

The BBC's main contribution to the long, celebratory tune in the choice of Latin as a language. Stravinsky using Latin for its programme with Fricker, Elgar balanced by a slow episode and Tippett, Colin Davis with cor anglais solo in the last section. There is an important part for the organ, played with a texture far less pell-mell than Stravinsky's. Yet such is the urgency, so powerful and varied the composer's means of expressing it that a coherent musical if not philosophic experience does result, and with it frequent, exhilarating bouts of thought.

The Tippett work was *The Vision of St. Augustine*, a score neglected because of the feebly difficult part for solo

In the part of Bolette, another ageing girl about to make a marriage of convenience, French Richard develops a tough, pre-occupied urgency as the talk turns to wifely obligations. Basil Hoskins plays Wangel as an attractive man in youthful middle-age, although his regularity of tone when being earnest could be varied now and then to advantage.

With its high flights of fancy, dread calls, counterplots and comic relief the play would make an excellent opera. But such thoughts come to mind because a different sort of music was insufficiently evident in this production.

At the start was nervous, with John Shirley-Quirk at first failing to detach his voice from the chorus (in no time he was singing splendidly throughout a part which hardly provides a moment of rest) and the chorus, male and female, sounding as though illuminated had not been recently granted. But they too were soon buoyed up by the music and by Davis's all-conquering vitality.

Fricker's new, Fifth Symphony, a BBC commission for the occasion, is a shorthis three-in-one movement work which made a generally agreeable impression of broad gestures and a more affirmative, smiling manner than has always been evident in the orchestra.

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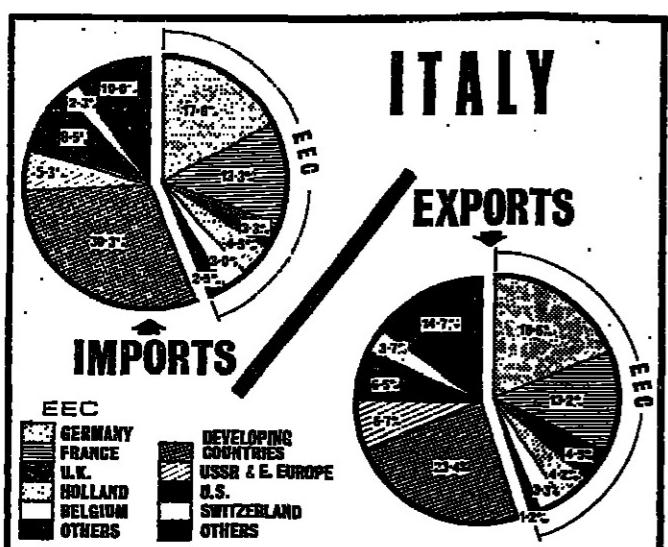
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THE FIGHT TO SAVE THE LIRA

# Sweeping measures halt the slide

BY ANTHONY ROBINSON



ROME, May 6.

market on January 20. The dollar/lira rate was then 688 lire compared with this Wednesday's fixing of 916 lire.

This should be achieved in the following ways—

In the first instance, imports will be made more expensive. The prime rate is currently around 18 per cent. Financing the 50 per cent deposit for three months is likely to add some 2.5 per cent per quarter in lost interest. Secondly, the deposits will drain an estimated Lire 4,000m. of domestic liquidity on an annual basis. This in turn is expected to further raise domestic interest rates.

At the same time, importers not wishing to lose their Italian market are expected, as happened during the last import deposit scheme, to partially finance the deposits. This should bring in foreign currency. At the same time the new measures should also be an encouragement for the repatriation of part of the funds previously exported, often on an illegal basis.

To encourage the repatriation of capital, the authorities are believed to be looking at further measures. One believed to be under study is the constitution of some form of Franco-Volata system under which exporters would be able to pay for their own imports from their export receipts. A system of this kind was in operation in World War II.

Such an operation would be facilitated by a further rise in domestic interest rates. The key to repatriation is confidence in the long-term decline of the lira is now over, so reducing the possibility of further exchange rate gains. The continuing decline of the lira up to now has indeed been largely self-feeding, as holders of foreign currency have held on to it as long as possible. The terms for conversion of foreign currency into lire by exporters has been recently and the permissible time lag is expected to be further reduced shortly from the 120 days now allowed.

THE PRECIPITOUS decline of most foreign currency financial and tourist transactions as well as imports by the toughest import and foreign currency control and companies with specially measures ever taken by European Community country. At the same time, Italian tourists already limited to an annual £500,000 (£310) allowance will also have to deposit the lira equivalent of 50 per cent of their requested foreign currency requirements into the new account.

The all-embracing nature of the latest measures include imports of food, raw materials, including oil, and investment of the cost of imported goods, goods, all of which were excluded from the 1974 import deposit scheme. This means that even the oil companies will be obliged to deposit the cost of 50 per cent of their imports into the account.

Importers will henceforth have to deposit 50 per cent of the cost of their imports in a bank devalued by some 30 per cent against the dollar since the Bank of Italy for three months. The same applies for the official foreign exchange now allowed.

## French set up accident enquiry

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A DETAILED study of the measures required in handling major accidents to wide-bodied jet airliners is being undertaken by the French Government following the Turkish Airlines DC-10 accident near Ermenonville on March 3, 1974, when 346 passengers and crew were killed.

This is revealed in the official accident report by the French Commission of Inquiry, which is now published in this country for the first time.

The report confirms the earlier mission of Inquiry's report, how-

ever, confirms also that it was caused by the aft cargo door coming open in flight, availability of medical facilities to cope with such major accidents. It became apparent, it says, "that the Institut Médical Legislatif de Paris, and the Paris hospital did not have facilities on a scale related to this type of accident."

Plans to prevent repetition of this type of accident by strengthening the floors of wide-bodied jets, installing special venting systems to prevent sudden depressurisation, and has recommended that a study should be made of the new problems raised by the large capacity of modern wide-bodied aircraft.

The translation of the Commission of Inquiry's report, how-

## Irish base for new EEC body

BY OUR OWN CORRESPONDENT

A NEW EEC institution to deal in Ireland. It will have a staff with living and working conditions in the European Community was formally launched in Dublin to-day. Its permanent headquarters are to be located in the Irish Republic.

The European Foundation for Living and Working Conditions is the first EEC body to be based

The Foundation's administrative budget of £500,000, for 1976. The establishment of the Foundation was first advocated by President Pompidou in July, 1972. The Council of Ministers later agreed that there should be a European Institute for the Environment in the member states.

DUBLIN, May 6.

measures taken by Italy almost two years ago, when importers were obliged to deposit 50 per cent of the value of goods. Although those regulations covered a smaller range of goods, they were imposed for a period of nearly 10 months, compared with the three months now proposed.

The Confederation of British Industry pointed out yesterday that Italy represented less than 10 per cent of U.K. export volume to EEC countries and slightly more than 3 per cent of total world exports.

Nevertheless, it was certain to hit some companies more seriously than others and would probably slow the pace of exports if not actually reduce them.

Britain's trade balance with Italy was in deficit to the extent of about £246m. last year, with the U.K.'s exports worth £583m.

The major exports to Italy last year were machinery and transport equipment, which amounted to £240m., while a high proportion of imports from Italy is made up by agricultural products and unfinished goods.

It is likely that under the difficult circumstances for Italian importers they will seek assistance from U.K. companies, such as extended credit. There was also evidence in the previous period of restriction of some evasion of deposits.

Deposits were not required for consignments of goods valued at less than £1m. and it is understood that larger orders were sometimes broken down

into less valuable lots for shipment.

Although the new measures, which exclude only grain, are likely to have some effect on invisible exports for the first time, trade officials believe that the favourable sterling-lira exchange rate will compensate to a large extent.

The U.K.'s overall trading position with Italy has deteriorated considerably in recent years, with the deficit of £62.2m. in 1972 rising to £120m. in 1973 and £213.5m. in 1974. However, in the first quarter of this year exports were up by 50 per cent on value with the deficit running at much the same as last year.

The U.K.'s share of Italian imports also declined from 6.3 per cent in 1970 to 5.6 per cent in 1974, although imports from all sources generally declined as a result of the increase in oil prices.

Nevertheless, U.K. trading relations with Italy have long been sound and the present situation is unlikely to alter that pattern, trade officials stressed.

French industry has reacted with extreme concern to the latest threat of Italian import controls—even though it is recognised on all sides here that the collapse of the lira had made some form of drastic action inevitable, writes Rupert Cornwall.

The measures announced overnight in Rome are bound to hit the French especially hard. Italy is already France's third biggest trading outlet and alongside Britain and Switzerland is a country where France achieves a trading surplus in Europe.

Although the deep Italian recession helped cut the imbalance in 1975, France's exports of Frs 21.6bn. (£2.4bn.) exceeded imports by Frs 1.3bn. (120m.). The faster economic recovery here will almost certainly have eroded the margin still further in the early months of this year.

The sectors likely to be affected are above all foodstuffs (particularly cereals and meat exports, which account for almost a quarter of total French sales to Italy), and semi-finished and consumer goods.

In the meantime, German exporters to Italy seem likely to feel the Italian measures as an additional obstacle at a moment when their sales to the European Community as a whole are only just beginning to pick up. Last year, Italy was West Germany's fourth most important customer, taking DM18.1bn. worth (£3.5bn.) of exports from the Federal Republic.

Already the Patronat-France's equivalent of the CBI has tabled its extreme discontent, both in Brussels and in Paris, at the straits imposed by

## In Brussels, regret mixed with resignation

BY ROBIN REEVES AND GUY DE JONQUIERES

BRUSSELS, May 6

THE Italian measures, which were explained in detail to a meeting of the permanent representatives of the Nine here this morning, have been greeted in Brussels with a mixture of regret and resignation.

But it is also generally recognised that the Italian economic crisis has deteriorated to such a point that nothing short of the most stringent surgery stands a chance of redressing the situation, all the more so in view of the limited range of purely domestic options open to the Italian Government in advance of next month's elections.

As far as the European Commission is concerned, whatever misgivings it may harbour about the blow dealt by the Italian authorities to the principles of free trade have been assuaged by gratification of the opportunity it has had to reassert itself in critical circumstances.

The Italian measures pose yet another threat to the Community's one full-blooded common policy (apart from the customs union), namely the Common Agricultural Policy.

Indeed, in the Commission's statement of blessing on the move, "agricultural products coming under a common organisation of the market" are singled out for special mention as an area where some wafering down of Italian measures may be required.

Two years ago, the Commiss-

ion with the active support of other EEC members, insisted on exempting most farm products from Italy's import deposit scheme. The free trade conditions created by the CAP have led France and West Germany to develop major markets for cereals, dairy products and meat in Italy.

Ireland ships substantial numbers of cattle to Italy for fattening and the Benelux countries and Denmark have also developed a good market there for pigmeat.

On the last occasion, the Italian Government was persuaded to drop very quickly the import deposit requirement for beef, and other member Governments pledged themselves in the interim not to take retaliatory action.

France at one stage threatened to fund the deposit on its farm exports from official resources. Even the deposit requirement for beef was reduced from 50 per cent to 25 per cent and phased out altogether after three months whereas for industrial trade, the scheme lasted six months.

This time, only wheat is

specifically exempted from the deposit requirement and Italy's position is far graver. It is easy to imagine intra-EEC farm trade being distorted—to the point where other member States feel obliged to act to prevent their own agricultural markets being undermined by farm produce discouraged or effectively prevented from entering Italy.

In such circumstances the CAP would be truly off the rails. It would spell the end of the common organisation of agricultural markets.

In recent years and particularly recent months, the rest of the Community's exports have been sustained by the EEC's monetary compensatory payments system for offsetting the effects of currency fluctuations on intra-EEC farm trade.

On the other hand, Sir Giovanni Marcora, Italy's tough Farm Minister, could insist on keeping things as they are. Although his Government bowed to Community pressure to exempt Community products two years ago, that was before the French Government blatantly ignored EEC rules and imposed a tariff on Italian wine for a period lasting the best part of seven months.

guaranteed to farmers in strong currency member countries.

Now the Community is in the absurd position of both trying to maintain this trade through monetary compensatory subsidies while at the same time blessing measures designed to curb the same imports. It is not surprising therefore that some hope was expressed here to-day that the Italian Government may be prepared, or even wants, to amend the deposit scheme as it affects food imports.

The difficulties it creates are bound to be discussed at the next meeting of the Council of Agricultural Ministers in Brussels, a week on Monday. Indeed, by then, the scheme could well be already impacting.

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## How Italy's partners in Europe are affected . . .

### United Kingdom

Most British companies which export to Italy are unlikely to be seriously affected by the Italian Government's decision to introduce import curbs, according to sources in Whitehall and in industry, writes Lorna Barling.

Their assumptions are based on the experience of similar

U.K. TRADE WITH ITALY 1975

Principal exports	Value (£m.)
Machinery (other than electric)	152
Electrical machinery, appliances	41
Transport equipment	21
Textile fibres	23
Medicinal and pharmaceutical	19
Ferrous metals	19
Instruments and similar goods	19
Total exports £563.2m.	
Total imports £809.6m.	

measures taken by Italy almost two years ago, when importers were obliged to deposit 50 per cent of the value of goods. Although those regulations covered a smaller range of goods, they were imposed for a period of nearly 10 months, compared with the three months now proposed.

The Confederation of British Industry pointed out yesterday that Italy represented less than 10 per cent of U.K. export volume to EEC countries and slightly more than 3 per cent of total world exports.

Nevertheless, it was certain to hit some companies more seriously than others and would probably slow the pace of exports if not actually reduce them.

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### Germany

The West German government appeared to-day to accept, reluctantly, the reasons behind Italy's import control scheme. In the absence of an official reaction, Herr Hans Apel, the German Finance Minister, made clear that he saw the Italian action essentially as a measure to protect a desperate external payments situation, rather than as a piece of trade discrimination.

Herr Apel added that he expected the Italian authorities to make use of the three month delay "to take additional measures of domestic economic measures of their own in order to stabilise the balance of payments". His remarks are likely to be taken as an oblique warning of the conditions that Bonn might set on any further direct financial assistance to Rome.

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Questioned in the National Assembly on the subject, M. Jacques Chirac, President of the Gaullist party, is obliged to take account of the extreme sensitivity of his troops to any real or implied attack on their country.

## ignation

## WORLD TRADE NEWS



Prof. Mario Henrique Simonsen (left), the Brazilian Minister of Finance, and Sir Reginald Verdon-Smith, chairman of Lloyds Bank International, sign an agreement for a £20m. line of credit for the purchase of U.K. goods.

## Brazil wants more from Britain

BY HUGH O'SHAUGHNESSY

**GENERAL ERNESTO GEISEL**, Brazilian President, yesterday delivered a tough warning that Britain would have to buy more from and invest more in Brazil if it wanted any major development contracts.

As various major trade deals were under intensive discussions, the Brazilian leader issued his warning while the British ambassador at the Press conference in London, apart from the last week in Paris, the only Press conference he has given during his whole two years in office.

Earlier, a group of 17 bankers headed by Sir Gordon Richardson, Governor of the Bank of England, and a group of industrialists, including senior representatives of Shell, ICL, PZ, British Rail and BAT, waited on Gen. Geisel at Buckingham Palace on the penultimate day of his state visit to Britain.

As the visit draws to its close today, Morgan Grenfell and the Royal United are deep in negotiations over the \$1.2bn. Acominas steel project.

British Rail is also having top level talks on Brazil's big new power plant. On Wednesday, Archbishop

Hume expressed his "sorrow and distress at the violation of fundamental human rights and civil liberties" in Brazil.

Gen. Geisel also added that his visits to France and Britain would not have any effect on the course of domestic politics in Brazil. He expressed no surprise at the continuing picketing of their embassies in Brazil and their misgivings about Brazil's ability to finance its debt servicing and its extremely ambitious new plans out of further international borrowing. The Brazilians are pressing for more injections of capital and greater facilities for their exports.

A similar tough line was adopted by Gen. Geisel on political questions. At his Press conference he indicated that he would be replying to letters addressed to him by an all-party Parliamentary group on human rights and by Dom Basil Hume, Roman Catholic Archbishop of Westminster, but would allow no delegations to investigate the human rights situation in the South Atlantic, many times more powerful than the South African fleet.

The significant upturn in exports was due to the record increase in shipments of agricultural products which traditionally account for most of Turkey's exports. Exports of nine major commodities shot up between May 1975 and March 1976. Turkish banks borrowed \$1.213bn. in short term loans on the Euro-dollar market.

ANKARA, May 6.

## Turkish deficit down 43%

BY METIN MUNIR

TURKEY'S CURRENT account for the first quarter of 1975 which was 62 per cent up on 1974. The first quarter deficit this year was \$468m., down 43 per cent from last year.

The relative slow down in imports reflects Government policy to economise on hard currency reserves rather than a drop in demand. Last year's record current account deficit of \$3.34m. coupled with a drop in expatriate workers' remittances has drained reserves and led to heavy borrowing abroad.

Exports in the first quarter of this year totalled \$780m., up by nearly 120 per cent over the comparable period of the previous year. Imports in the same period grew by just over 6 per cent to \$1.25bn. This compares favourably with the increase in 1975 to \$520m.

**BULMERS**, THE Hereford business which claims to be "the world's biggest cider maker, plans a major development of overseas sales particularly in North America."

The Federal tax barrier which previously blocked the development of cider sales in the U.S. has been lowered and Mr. Brian Nelson, managing director, commented: "This means we can move competitively into the American drinks market."

Mr. Ray Perks, new International Director of Sales and Marketing, has been concentrating on research and test marketing in a number of overseas markets in recent months. He says: "The opportunities particularly in America and Canada are enormous. All the tests indicate that the North American markets will respond well to the blends of cider that we make and we are ready to make a major investment in establishing our brands."

## Americans drink less Scotch

Financial Times Reporter

**EXPORTS** OF Scotch whisky to the U.S. in the first quarter of 1976 were down 5 per cent. In volume to 7.5m. gallons. But the value rose 18.6 per cent to \$32.75m.

At the same time it seems that consumption of Scotch in the U.S. as measured by withdrawals from bond, also declined by 5 per cent in the first quarter compared with the same period of 1975. They were down to 10.56m. U.S. tax gallons.

Scotch is facing increasingly fierce competition from Canadian whisky in the U.S. as the fax payment features show. Canadian brands showed a 22 per cent rise over the three months to 9.2m. tax gallons.

On the Scotch export front, there was some recovery in the month of March after two bad months for the industry. And, as an indication of returning prosperity in the U.S., exports of the higher-priced bottled-in-Scotland Scotches actually showed an increase—of 8 per cent—in volume during the January-March period.

Japan remained the major growth market for Scotch in the first three months. Exports were up 44 per cent in volume to 2.6m. gallons, and 38.6 per cent in value to \$9.4m.

There was also an unexpected surge in exports to Italy. These increased by 68 per cent in volume and 112 per cent in value to 1m. gallons worth \$5.3m. over the three-month period.

**Bulmers eyes U.S. market**

By Kenneth Gooding

**INDIA AND BRITAIN** are co-operating in setting up joint venture projects in third countries. This is an outcome of the four-day meeting of the Indo-British joint economic committee held in London last month, it is learnt here.

The arrangements envisage supply of machinery and equipment, technical know-how and manpower. The meeting considered that the international standing of British enterprises combined with Indian technology and manpower would help in winning major turnkey projects abroad. In other cases, where Britain wins a contract and there is scope for India to come in and contribute either with equipment or manpower, India might be given a subcontract.

## HANOVER AIR SHOW

# A time for reappraisal

BY GUY HAYTIN, FRANKFURT CORRESPONDENT

THE BIG international airshow presents yet another of those yardsticks by which politicians judge the standing of national prestige. Nowhere more so than in Western Europe, where the Paris show vies with Farnborough and Hanover competes with them both.

But what of the businessman who ultimately has to underwrite the cost? How effective are the international air shows as a sales tool? A straw poll at the Hanover Show, which opened on May 5 and runs to May 9, produced a mixed response. It is unfortunate, perhaps, that Hanover clashes with Farnborough to be held later this year, but the Germans have little choice in the matter as the only alternative is to clash with the "queen" of them all—the Paris Air Show.

It was for this reason, perhaps, that representation by the American majors at Hanover was disappointingly thin. Both Lockheed and Boeing were conspicuously absent. Even the British met criticism for producing only a relatively small number of exhibitors.

### No Jumbos

AS IT WAS, the largest aircraft on view was the A 300 airbus—there was not a Jumbo or a Tri-star in sight. British Airways did a hard sell to the Press on the Concorde, but of the aircraft itself, there was not a decibel in earsplitting. Admittedly, the Air France Concorde had visited Frankfurt and Hanover a week earlier.

The large international airshow, therefore, is being subject to an appraisal similar to that experienced by the large general international trade fairs. It is a large international show—a reasonable place, after all, to drum up sales for either military aircraft and close air support aircraft and commercial aircraft which can cost upwards of £5m. each.

### Indo-British co-operation

BY K. K. SHARMA

However, one British exhibitor plainly visible at Hanover, Dornier, which has something of a reputation for going it alone, holding back from the civil aviation area and diversifying outside the industry, made great play in touch with customers already on the books, but, he pointed out, "just one new customer can make it pay handsomely."

Hanover, of course, is the international showcase for the West German aerospace industry—which is about a quarter of that of Britain. Its turnover in 1974, including non-aerospace sales totalled close on DM4.6bn.—about £995m. converted at today's exchange rates. The 1974 figures, which are the latest available for the industry as a whole, were 11.2 per cent up on 1973's DM4.1bn.

While the West German industry may be small compared with that of France or Britain, its policy of international co-operation has given it considerably more influence than its size would at first suggest. It participates in the major European programmes—the Tornado (the European multi-role combat aircraft), the Alpha-Jet trainer and close air support aircraft and the A300 Airbus—as well as some observers to be shown.

However, VFW have so far sold 16 of the aircraft and is tendering for a 41 aircraft order from the U.S. coast guard. Whether the concern lands the order in the face of the U.S. government's "Buy American" policy remains to be seen.

The group is planning to produce initially 24 aircraft a year and it must sell about 250 over the next ten years to show a profit. VFW emphasises that this is not the type of aircraft that is normally ordered in large quantities. Prospective purchasers are mainly the smaller airlines, including those in Germany, however, does not just see itself as a sub-contractor, it usually order in two's and three's. Observers in the industry expect the aircraft to go well, One said: "it is the natural successor to the DC3."

The fruits of co-operation were plain to the aircraft component sector at Hanover, Dornier, which has something of a reputation for going it alone, holding back from the civil aviation area and diversifying outside the industry, made great play in touch with customers already on the books, but, he pointed out, "just one new customer can make it pay handsomely."

Messerschmitt-Bölkow-Blohm and Fokker devoted important displays to their participation in the European Airbus, MBB, which plays a major role in the Tornado MRCA programme, was also forecasting that similar co-operative efforts would develop among European helicopter manufacturers.

### Slow sales

VFW-Fokker, West Germany's main air transport builder, was showing its VFW 614. Sales of the curious-looking 44-seat civil airliner, whose two engines are placed above the wings rather than underneath, are reported by some observers to be slow.

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## France signs pacts with Poland

By Rupert Cornwell

PARIS, May 6. MAJOR FRENCH companies and a number of Polish foreign trade agencies to-day signed 16 specific industrial co-operation agreements aimed at boosting trade between the two nations.

The ceremony, presided by French Foreign Trade Minister Al Raymond Barre and his Polish counterpart Mr. Olenski, capped an official visit here by the Polish premier Mr. Piotr Jaroszewicz in which he went out of his way to stress the importance of economic links between the Common Market countries and the Comecon bloc.

The most striking feature in the agreements is the provision for a major French share—estimated here at Frs.1.8bn. (£210m.)—in a project for a fertiliser and ammonia complex in Poland, for which construction work will be co-ordinated by the engineering group Creusot-Loire.

Among the smaller protocols are ones involving Peugeot, Eteg-Kuhnsdorf, the chemical group, and the telephone company CIE-Alcatel.

Arrangements for several of these schemes involve the Banque Nationale de Paris, while the engineering concern Techimp and the Polish foreign trade company Polimex-Cekop have set up, with BNP, a trading company to encourage Franco-Polish economic co-operation.

These impressive sounding agreements will, however—if they are to be successful—have to take full account of Poland's grave anxiety over its widening trade deficit with France. Although trade between the two countries has multiplied five-fold since the mid-1960s, Poland ran a deficit of Frs.1.2bn. (£140m.) last year.

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## AMERICAN NEWS

## Food and fuel prices push wholesale index up by 0.8%

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, May 6.

AMERICAN wholesale prices cessed food and feeds index jumped by 0.8 per cent last month, underlining the wide spread belief that the very low rate of inflation in the first quarter of the year was not sustainable.

The increase was almost entirely attributable to the sharp rise in prices of food and fuels, precisely those component parts of the index whose low prices had kept the calculation stable for the five months between November and March.

The farm products index, off by a seasonally-adjusted 4.3 per cent in April, following declines amounting to 5.8 per cent in the first quarter of the year. This is the largest single monthly increase in farm products since May of 1975.

The prices of livestock and eggs were the principal factors, with green coffee prices also rising much more sharply last month than in March. The pro-

## Control Data made \$2m. payments

MINNEAPOLIS, May 5.

CONTROL DATA corporation paid more than \$2m. to "greatly underpaid" government employees in foreign countries, the company revealed today to shareholders attending its annual meeting.

Control Data also said that an investigation into the questionable payments is being broadened.

Company chairman Mr. William Norris said that the foreign payments, totaling \$2.27m., went to "greatly underpaid" Government employees who regularly supplement their income by accepting payments for approving Government contracts."

The payments "benefit no one but the high Government employees and certainly aren't enjoyed by the local corporate management, which is forced to pay in order to pursue legitimate business..."

UPI

## Treasury says that car dumping inquiry would hit importers

WASHINGTON, May 6.

IN DECIDING to drop its formal car dumping investigation case to answer whether the U.S. Treasury was particularly influenced by the International Trade Commission argument that to have pressed which would then have investigated whether this had harmed damaged foreign importers with the domestic U.S. car industry.

Mr. David MacDonald, as Assistant Treasury Secretary, said that some major importers would effectively have had to stop importing while this was going on, which would have greatly harmed their business and would have found them guilty before there had even been a trial."

The Treasury, which was also influenced by Volkswagen's decision to build a plant in the U.S., therefore decided to drop the formal inquiry but to substitute what amounts to its own dumping order, and it still intends to press Volkswagen and other companies to adjust their prices to reduce the margin between home and U.S. prices.

In its announcement yesterday, the Treasury said that some 24 companies had been dumping their cars in the U.S., but that many of them had significantly narrowed the difference between the U.S. and home prices. Further, the statement said, the Treasury recognised the difficulties of making valid comparisons between car prices because of the impact of fluctuating exchange rates and other factors.

Our New York Staff adds: "U.S. sales of imported foreign cars fell sharply during April in distinct contrast with the continuing strong upturn in demand during the same period for domestically-made vehicles. With monthly deliveries falling 11 per cent to 126,000 cars, importers' share of the total U.S. market fell to 13.8 per cent from 21.5 per cent last year."

The relative weakness in foreign car sales in the U.S. first became apparent in the autumn of last year at about the same time that sales of larger U.S. made cars started moving strongly ahead. Since then importers' share of the market has remained at about current levels.

While the general trend was down, certain individual foreign car makers did manage to boost sales. Toyota, currently the largest single importer, managed to lift its deliveries by 46 per cent, while Datsun, Honda and BMW all moved ahead.

The sharpest import falls were turned in by Volkswagen which posted a 45 per cent drop. Fiat's sales fell 28 per cent, while Mazda's dropped 62 per cent. While British Leyland's year-to-year sales figures showed a 16 per cent decline, the 1975 returns included now discontinued Marina sales.

Nowhere is this trend more apparent than in the recent dismal sales performance of importers which, with a few obvious exceptions at the more expensive end of the price scale, have a justifiable reputation for greater fuel economy. In a mirror image of the general upturn domestically, sales of imports last autumn reversed their 24-month boom and started falling. During the first quarter of this year, imports took a mere 13 per cent share of the total U.S. new car market, compared with over 20 per cent 12 months earlier.

Even now, Detroit remains somewhat confused as to why the basic recovery was so unexpectedly strong and the switch away from low petrol consumption cars so violent. The upturn last autumn was almost certainly sparked off by the relatively modest price increases of new model year vehicles. In the context of the strongly recovering economy, easier and cheaper personal credit and a sharp relative decline in the average personal debt burden, this was enough to bring back into the market consumers who had previously put off buying replacement vehicles.

Since the start of this year, at least with large cars, the Big Three have been operating at virtually full capacity, working double shifts and on Saturdays on most lines. The U.S. car makers combined are working at a rate which would result in annual production of 9.05m. cars, compared with 9.5m. in peak 1973 and a theoretical upper limit (all lines at maximum levels) of 11.5m. Yet, as decreasing stocks indicate, this may not be enough to meet demand.

Production in Canada can obviously be increased to supply excess U.S. demand and,

## THE U.S. AUTO INDUSTRY

## Back to gas guzzlers

BY JAY PALMER IN NEW YORK

AFTER very nearly two and a half years in the doldrums, the smaller cars decided to trade up again moving ahead. Bolstered replacement, since memories of the oil embargo and petrol sales and a simultaneous sharp shortage were receding. Above swing back in demand away from all else, social analysts have noted the continued strong link between big car ownership and car executives are now hastily revising their earlier more U.S. community status.

Sales of U.S.-made sub-compacts have collapsed during the surprise of just about everyone. One 1972 could conceivably turn out to be one of the car industry's best-ever years.

Last week, while announcing increases of almost 50 per cent of the value of their first quarter sales, the two giants of the industry, General Motors and Ford Motor, both forecast 1976 total new car sales of around 10.5m. If correct and at the moment many believe that such estimate, that represents a near 25 per cent gain on last year's dismal low 8.6m. The industry's

planned changes with over 40 new sub-compact models in the change will mean closing nine of its 125 plants for five weeks each, a plateau that both the company and the industry will afford.

Aside from such planned plant closures, the industry's future production capability is clouded by both the current rubber workers' strike against tire makers and this autumn's scheduled negotiations with the auto workers for a new contract.

For the full year, and the industry as a whole, production is expected to rise by 33 per cent (including a planned 24 per cent

## MARKET SHARES BY CAR SIZE

(All figures per cent)

	1974	1975	(first quarter)
Sub-compacts .....	15.2	18.4	11.8
Compacts .....	19.6	20.9	22.9
Intermediates .....	21.9	20.4	27.4
Full size .....	25.1	18.2	22.9
Imports—all sizes ..	17.3	21.9	13.3

balance dull sales against excess output.

The Big Three's current total stocks of unsold new cars are now well below the 60 to 70 days supply normal at this time of year. Broken down by size, however, the divergence is immense. Stocks of larger cars such as Oldsmobiles, Chevrolets and Buicks are now equal to no more than 20 or 25 days supply.

At the same time, stocks of such typical smaller cars as Chevettes (GM), Pintos (Ford), Vegas (Chrysler) and Pacers (AMC) are between 100 and 130 days.

There is a very real fear that the coming months could see a famine of larger vehicles and an average higher value options extras.

But unless something really dramatic occurs, it seems clear that the Big Three will manage to turn in significant profit improvements over 1976. In the first quarter GM lifted its profits 14-fold and both Ford and Chrysler turned in profits compared with losses in the same three months of last year. Big cars will continue to be more profitable (thanks partly to average higher value options extras) while the industry's relatively high level of fixed costs ensures that the current total volume gains pass quickly into profit.

In the autumn, the industry is going to have to decide whether to risk dampening sales by making larger price increases than expected.

If stocks continue to remain low, the companies will have the option of risking a sales downturn and building vehicles for inventories. However one looks at it, the very heavy planned capital expenditures over the next few years more or less demand continued high profits and at least some move to recover higher costs, such as wage and rate rises.

At the same time, Detroit is going to have to come to terms with the changing patterns of demand for cars and, above all else, continuing suggestions that American car buyers have apparently decided to replace their vehicles less frequently. While it can still be argued that the future automobile market in this country will inexorably shift towards vehicles relatively more economical on fuel (thus small sizes), such a commitment in today's market could prove over-hasty.

## Argentinian cost of living

BUENOS AIRES, May 6.

THE COST of living in Argentina in the last 12 months has increased by 718.4 per cent, it has been officially reported. This is a world record.

During the first four months of 1976, the cost of living increased by 154.5 per cent. In March, it was 38 per cent, in April—the first full month of the new military regime—34 per cent.

Meanwhile, a member of team from the Inter-American Development Bank now in Buenos Aires has estimated that Argentina will receive IAD credits totalling \$250m.

## Portrait of a Centenarian

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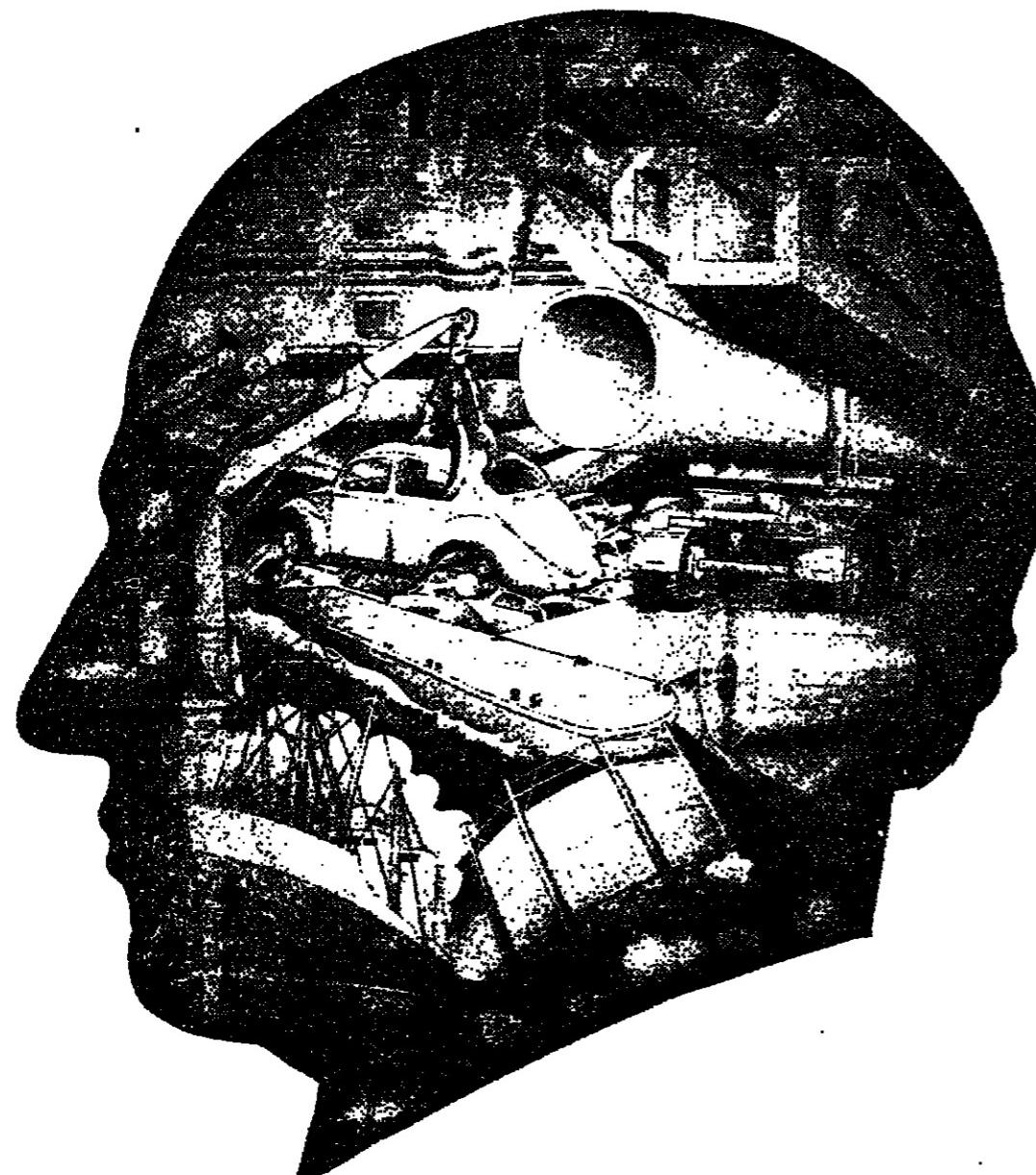
burnt in sizes to consumers' specification. This is our work.

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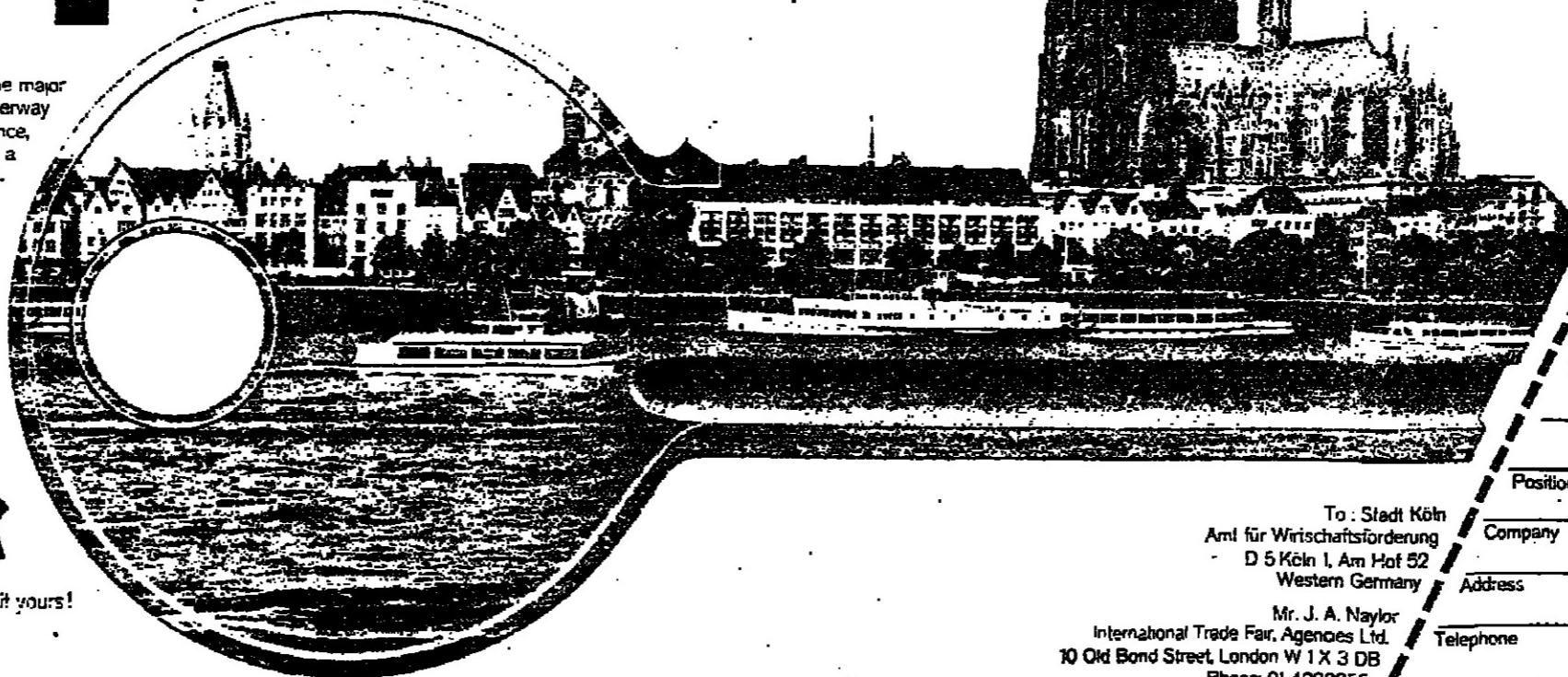
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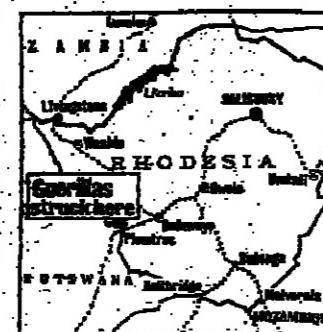
## OVERSEAS NEWS

**Rhodesia facing a fresh threat**

BY TONY HAWKINS SALISBURY, May 6

**GUERILLAS** have tried to saboatge the railway line from Bulawayo to Botswana near the Rhodesian/Botswana border, an official communiqué revealed today. This is the first such attempt at guerrilla activity in the south west of Rhodesia and gives rise to speculation that guerrillas are now operating from within Botswana for the first time. However, the Communiqué does not give any details of the attack. The guerrillas came from Botswana or from Mozambique. It merely says that an attempt was made to sabotage the railway, causing minor damage which was subsequently repaired. No delays to passenger traffic resulted.

All rail passenger traffic and a small proportion of goods traffic between Rhodesia and South Africa use this line. The Communiqué also says that eight more were revealed that eight more also killed and quantities of arms and ammunition had been captured.

**Surprise PRP win in Durban election**

BY STEWART DALBY JOHANNESBURG, May 6.

THE anti-apartheid opposition caused an upset in the important South African White by-election yesterday by beating the well-entrenched United Party at Durban North.

Mr. Harry Pitman, the Progressive Reformist Party candidate, won by gaining 37.3 per cent of the vote in a four-cornered race. His victory represented a swing of 28.6 per cent away from Mr. Ron Reynolds, the United Party candidate.

A jubilant Mr. Colin Eglin, the leader of the Progressive Reformists, who now have 12 seats in the 171-seat South African totally White Parliament immediately said after the results were known: "Two clear messages come from Durban North—the PRP is the instrument for effective constructive opposition and the voters want enlightened changes to be made away from race discrimination."

Political observers here were inclined to agree with the first part of Mr. Eglin's statement but not necessarily with the second. Durban is traditionally the heartland of the White English-speaking South African. Durban North has always been rock solid for the United Party, the party of Prime Minister General Jan Smuts, the country's World War II hero and leader.

When the Progressive Reformists last contested the seat in the general election of 1974 they lost their deposit. The Progressive Reformists are now claiming that they should become the official opposition, since if the United Party has lost Durban North it cannot consider any of its 38 seats safe. The Progressive Reform Party is more aggressive than the United Party. It stands primarily for better opportunities and advancement of Blacks and an easing of the ruling Nationalist Party's race policies.

The United Party has seemed lacklustre, offering no real policies and a lack of leadership.

One political commentator said the United Party is like Mr. Ian Smith in Rhodesia; obituaries are always being written but there it still is." He did concede, however, that there was obviously a definite "transference" to the Progress, but said this could not really be construed as a swing by the electorate in favour of more radical policies on internal defence.

Far more significant, he thought, were the gains made by the Nationalist Party candidate, Dr. Denis Worrall. He came a close third behind the United Party candidate. In the 1974 election the nationalists did not even bother to contest the seat feeling it was diehard English speaking territory. The strong swing towards the Afrikaner-based Nationalist Party, which has 122 seats in Parliament, was seen as a ringing endorsement for the "veritable," or "outward looking" and enlightened policies of Mr. John Vorster, the United Party, the party of Prime Minister.

Political observers feel that in the uncertain times for South Africa, Mr. Vorster is moving at the right speed. He is trying to reassure his constituents with neighbouring African countries, but is doing very little about changing the situation internally.

In the situation internally, an independent, Mr. Marcus Louw, cannot consider any of its 38 seats safe. The Progressive Reform Party is more aggressive than the United Party. It stands primarily for better opportunities and advancement of Blacks and an easing of the ruling Nationalist Party's race policies.

Twelve agricultural companies in different parts of the country have also been confiscated.

The Government is examining each case individually. Shares owned by foreign non-Portuguese private interests are exempt from State control or "confiscation" as exemplified in the case of one of the textile companies controlled wholly by Dutch shareholders and specifically stated to be outside the scope of the Government's action.

In each case of confiscation, the Government has made specific

**MPLA confiscation**

BY JANE BERGEROL LUANDA, May 6.

SEVEN MAJOR industrial concerns were confiscated yesterday and placed under Angolan State control as the MPLA Government has begun step by step implementation of its May Day law confiscating economic assets abandoned by Portuguese private entrepreneurs. Among the seven concerns are the Champalimau group's steelworks, a cement plant, two textile companies and three sugar companies.

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In each case of confiscation, the Government has made specific

**Friendship pact agreed**

BY KENNETH RANDALL CANBERRA, May 6.

OFFICIALS of the Australian and Japanese Governments have agreed on the text of a basic treaty of friendship and co-operation, described by the Prime Minister, Mr. Malcolm Fraser, as "unique in the history of international relations."

Mr. Fraser told Parliament today that approval of the draft treaty by the two Governments was regarded as a formality since the issues involved had been referred to both parties progressively as they arose during negotiations.

**Japan's 20-year N-plan**

The Nuclear Energy Council, an advisory body to the Japanese Government, has tentatively compiled a 12,000-tonne 20-year nuclear energy development programme, the Ministry of International Trade and Industry announced yesterday. AP-DI reports from Tokyo, the Council is expected to compile and submit its final

**Ethiopia's revolution tumbles towards anarchy**

BY A CORRESPONDENT

ETHIOPIA is only a short step line" with previous proclamations setting out the rules for the country's Provisional Military Administrative Council has come. The Government was in fact as close to confirming as it admitting how greatly some is decently can. Addresses to the recent ideas have misfired. Only nation, proclamations, marathon a few months ago, the Government statements and warnings have been showered on the people living in reasonably well-defined areas with all the violence of the districts of the urban areas to current short rains. The most remarkable development was a form of *kabellas*, meaning associations of tenants. Wide powers statement threatening "sterns were vested in the *kabellas*, including that to collect rents on properties letting for £25 a month or less, and to exercise armed robbery and disruption of the private sector of the economy."

The statement, which on the certain police and judicial functions of the Ethiopian News Agency's *Kabellas*, may set up teleprinters ran to six feet of courts to try landlords alleged graph spacing, conveyed a sense urban land nationalisation. Far from having been influenced by "reactionaries," as the Government has claimed, many of the *kabellas* in the capital are notably left-wing and have seized with relish on the Government's frequently expressed view that, in Ethiopia, the interests of the working class predominate. Unfortunately, petrol pump owners, small businessmen have found themselves deprived of their businesses and profits when the *kabellas* called. A favourite tactic is to arrive at a businessman's office with the news that he will contribute, say, £100 to the *kabella*'s fund for the poor. Other businesses, especially the small street-corner grocers, have simply had their shelves emptied.

In Addis Ababa, where a mid-night curfew has been in force since the revolution began, other surprising in Ethiopia since a and will depend for their also made a great deal of evidence he could be right.

"We have succeeded in creating dozens of private armies." Ethiopian civil servant.

there is often no way of identifying them, by sharp shifts (bands) who have cashed in on the the general internal security development.

The minor inconveniences are марафон statements was nothing compared with the fact that a demonstrator had been shot and killed by security forces in Addis Ababa. By some

existence on a favourable judgment from a group to be set up masses." The most potentially dangerous development is only beginning in line with the aims and objectives of the revolution. The underground press—Ethiopian is the only genuine growth reached, and by whom is the subject of much heated debate in Ethiopia. Present guessing is that a 15-man civilian bureau, headed by Haile Iida, will make the decisions.

The proclamation, a vaguely worded document, is believed in informed circles to be the strongest indication yet of how desperate the Government is in its fight to retain control of a situation which could burst into flame. Sources close to the Derg (the ruling military council), say the Government was forced into making the proclamation prematurely by the strength of another, that the Government cannot survive much longer.

Now, with two opposition Left-wing groups in the capital having dismissed the proclamation, the military to justify their remaining power.

In a nationwide radio and television address which preceded the proclamation, the First Vice Chairman of the Provisional Military Administrative Council, Major Mengistu Haile-Mariam, spoke of rebellions in Wollega, Bechuanaland and Semien, Bale, Sidamo, Kaffa, Shoa, Wollo and Gojam. He also said, in something of an understatement, that we are heading for a return to the historic situation of a dozen or so hostile provinces being ruled by petty war lords. On the available

**Chaos**

It has been fashionable for the past year to say, after one administrative blunder after another, that the Government cannot survive much longer. Now, with two opposition Left-wing groups in the capital having dismissed the proclamation, the military to justify their remaining power.

But the central question remains, who takes over if the military are overthrown. Or

Western diplomats in Addis, a keen student of Ethiopia's intern-

iate history, believes the country is heading for a return to the

historic situation of a dozen or so

hostile provinces being ruled by

petty war lords. On the availa-

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disintegration is gathering speed.

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## LEGAL NOTICES

No. 9614 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division Companies Court. In  
the Matter of ROYAL INVESTMENTS  
LIMITED and in the Matter of The  
Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a  
Petition has been filed by the said Petitioner  
against the Royal Investments Company Limited  
whose registered office is situated at  
Pritchard House, South Hill Avenue, South  
Harrow, Middlesex, a Creditor, and that  
such Petition is to be heard before the Court sitting at the  
Royal Courts of Justice, Strand, London  
WC2A 2LL on the 24th day of May 1976,  
and any creditor or contributor of the said  
Company requiring such copy on payment  
of the regulated charge for the same.

FREDDIAN &amp; CO.

16 Mansfield Street,

London WC2R 3AE.

Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition  
must state his name in writing or his  
name and address of the person or  
firm and must be signed by the person  
or firm or his or their solicitor if any  
and must be served, or, if posted, must  
be sent by post in sufficient time to  
reach the above-named not later than  
four o'clock in the afternoon of the  
21st day of May 1976.

No. 9615 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division Companies Court. In  
the Matter of ROYAL INVESTMENTS  
LIMITED and in the Matter of The  
Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a  
Petition has been filed by the said Petitioner  
against the Royal Investments Company Limited  
whose registered office is the said Court  
by ROBERT LAMONT LTD., Creditors,  
London EC2P 2AJ, Bankers, and that the  
said Petition is directed to be heard  
before the Court sitting at the Royal  
Courts of Justice, Strand, London WC2A  
2LL on the 24th day of May 1976,  
and any creditor or contributor of the said  
Company requiring such copy on payment  
of the regulated charge for the same.

COURT CHANCELLOR.

Royal House,

Admiralty Square,

London EC2V 2LP.

Ref. 7000 RIRM S.C.

Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition  
must state his name in writing or his  
name and address of the person or  
firm and must be signed by the person  
or firm or his or their solicitor if any  
and must be served, or, if posted, must  
be sent by post in sufficient time to  
reach the above-named not later than  
four o'clock in the afternoon of the  
1st day of May 1976.

No. 9616 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division Companies Court. In  
the Matter of ROYAL ARCHIVE PLASTIC  
LIMITED and in the Matter of The  
Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a  
Petition has been filed by the said Petitioner  
against the Royal Archive Plastic  
Company Limited whose registered office  
is situated at 16 Wood Street, London  
EC2P 2AJ, Bankers, and that the  
said Petition is directed to be heard  
before the Court sitting at the Royal  
Courts of Justice, Strand, London WC2A  
2LL on the 24th day of May 1976,  
and any creditor or contributor of the said  
Company requiring such copy on payment  
of the regulated charge for the same.

COURT CHANCELLOR.

Royal House,

Admiralty Square,

London EC2V 2LP.

Ref. 7000 RIRM S.C.

Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition  
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reach the above-named not later than  
four o'clock in the morning of the  
10th day of May 1976.

No. 9617 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division Companies Court. In  
the Matter of ROYAL INVESTMENTS  
LIMITED and in the Matter of The  
Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a  
Petition has been filed by the said Petitioner  
against the Royal Investments Company Limited  
whose registered office is the said Court  
by ROBERT LAMONT LTD., Creditors,  
London EC2P 2AJ, Bankers, and that the  
said Petition is directed to be heard  
before the Court sitting at the Royal  
Courts of Justice, Strand, London WC2A  
2LL on the 24th day of May 1976,  
and any creditor or contributor of the said  
Company requiring such copy on payment  
of the regulated charge for the same.

COURT CHANCELLOR.

Royal House,

Admiralty Square,

London EC2V 2LP.

Ref. 7000 RIRM S.C.

Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition  
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reach the above-named not later than  
four o'clock in the afternoon of the  
10th day of May 1976.

No. 9618 of 1976  
In the HIGH COURT OF JUSTICE  
Chancery Division Companies Court. In  
the Matter of ROYAL INVESTMENTS  
LIMITED and in the Matter of The  
Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a  
Petition has been filed by the said Petitioner  
against the Royal Investments Company Limited  
whose registered office is the said Court  
by ROBERT LAMONT LTD., Creditors,  
London EC2P 2AJ, Bankers, and that the  
said Petition is directed to be heard  
before the Court sitting at the Royal  
Courts of Justice, Strand, London WC2A  
2LL on the 24th day of May 1976,  
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be sent by post in sufficient time to  
reach the above-named not later than  
four o'clock in the afternoon of the  
10th day of May 1976.

## BOND DRAWING

IRELAND 93% 1974/1984 UA 20,000,000  
Bonds for the amount of UA 1,000,000 have been  
drawn for redemption in the presence of a Notary  
Public on April 23, 1976.

The Bonds will be reimbursed coupon No. 3 attached  
on and after June 12, 1976.

The numbers of the drawn Bonds are as follows:

12,845 to 13,844 incl.

Amount outstanding: UA 18,000,000.

THE FISCAL AGENT

KREDIETBANK

S.A. Luxembourgeoise.

Luxembourg May 7, 1976.

COMPANY NOTICES

ELECTRICITY SUPPLY COMMISSION  
S.A.C. 1974 UA 12,000,000

FINIMTRUST S.A.

Luxembourg

herewith the details of the aforementioned  
loan amounting to UA 12,000,000 has been  
drawn for the amount of UA 1,000,000 in  
the presence of a Notary Public.
The drawn Bonds may be presented  
to the Fiscal Agent for the amount of  
UA 1,000,000 and the coupon No. 3  
and the date of June 12, 1976.
Bonds will be reimbursed on and after  
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has failed  
ex-Minister  
NATION CORRESPONDENT

Broad view

Minister to  
visit jet  
noise school

HERTA  
NADIA

The Financial Times Friday May 7 1976

9

# Wherever he goes the No.1 man has a car waiting.

Join the Hertz No.1 Club and so can you.



PHONE BEFORE YOU LEAVE. SIGN. AND GO.

When you're a Hertz No.1 Man, you can have a car waiting for you in Europe or America wherever Hertz operate, whenever you ask for it.

All you do is phone the number at the bottom of the page before you leave, and when you arrive at the Hertz counter all you do is show your driver's licence and your credit card—and you're away.

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The car that's ready and waiting will be a Ford Escort, Granada or another fine car. Thoroughly cleaned, checked and serviced for as many miles of smooth, easy motoring as you'll ever want to do.

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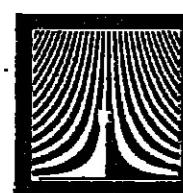
Or when you next rent a Hertz car, ask to be enrolled automatically.

\*In Germany, the Hertz VIP Club.



**Hertz No.1 Club**  
**01-402 4242**

PHONE. SIGN. AND GO.



# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHUETERS

## • HANDLING

### Heavier loads to go by tube

USES FOR the Jumbo airtube system announced recently by Gospert Dallal Spotters of Gosport company at least is to use the materials handling area pre-empted to and from its vaults. These airtubes systems operate by propelling carriers through a pvc tube by forced air movement. The tubing in this case is 250 mm. (10 inches) in diameter. Carrier payload is 10 kg. Other uses being considered by the system to carry electrical components to give works service 250 mm. (10 inches) in diameter. Carrier payload is 10 kg. In contrast, a system soon to start work at the new Liverpool Teaching Hospital will be used to speed X-ray films to and from the processing unit. That should reduce the delays for patients.

Goods under manufacture can

also be taken swiftly and cleanly from one process to another—for example paint and tobacco.

Tube systems larger than 250 mm. (10 inches) in diameter are perfectly feasible and at the present time the company is working with three clients, all in different industries, who require to move a 25 litre can, for process or sampling purposes. This system will require a 400 mm. (16 inches) tube and carry a load of 30 kgs.

No problems will be experienced "landing" the carrier at the receive station, as the large frontal area of the carrier ensures a soft cushion of air at arrival.

Even larger systems will be able to transport economically payloads of up to one hundred-weight across short distances—a works complex, for example—where the alternative would be to use run-about trucks. Systems using some kind of public network, perhaps alongside motorways and railroads for mail, are a matter for conjecture at present but should now be looked at seriously as a method of light goods transport for the future.

The company is at Harbour Road, Gosport, Hants. (0707 87311).

DESIGNED for transmitting documents through a building or group of buildings is the automatic integrated container handling (AICH) system developed by Sovex Marshall, Carlton, Nottingham NG4 3DY (0602 249271).

Documents are carried in high density polyethylene containers fitted with code slider indicators, which are carried from floor to floor by continuously running elevators. Lateral movement is

system at that point.

## • LIGHTING

### Floodlights conversion saves cost

LATEST MOVE in the Osram "Fight Back" campaign (energy saving) is the introduction of a Solarstream conversion kit which is claimed to provide savings in energy, lamp and labour costs.

By converting 1500 kW tungsten halogen floodlights to SON-L high pressure sodium lamps the company says that up to £70/yr fitting can be saved.

The conversion kit consists of a 250, 310 or 400 W lamp, lamp connectors and clips, control gear prewired in a weatherproof box and instructions for modifying existing fittings. The price of the kit (about £50) can be saved in under a year. Details from Osram (GEC), P.O. Box 17, East Lane, Wembley, Middlesex, HA9 7PG (01-904 4321).

First company in Europe to

market high pressure sodium lamps, in 1968, Osram says it now has the widest range of such lamps currently available. Over the past ten years the company has spent £5m. on research which has resulted, in the case of the 400 W lamp, for example, in a 60 per cent improvement in life, a 32 per cent increase in light output, and an 87 per cent improvement in lumens/hr./penny.

**• TEXTILES**  
Rotor spins long fibre

THE NEW open-end system of spinning yarns in which a number of intermediate processes are eliminated is rapidly gaining ground in a widening trade. Initially it was largely confined to the short fibre, cotton-type trade, but now it is reaching into the woollen and worsted area.

Because it is mainly dependent

on a high-speed rotor which has to have a diameter greater than the length of the fibres being spun, the rotor system has had to work at slower speeds with longer fibres, but gradually it is demonstrating its worth and becoming accepted by spinners of these wool-type yarns.

The ITG 300 is a French development photo-induced electrochromism. The work started with the observation that transparent liquids containing organic molecules of the pyrazoline class, exposed to laser light, would form a faint blue-green image that became darker when subjected to an electric field.

The liquid film, held between two plates, retains the colour even after the field is switched off. However, if the direction of the field is reversed, the picture is erased and the recording solution is available for further image-forming.

Electrochromism—not a newly discovered phenomenon—is one in which certain materials change colour under the influence of an electric field. But this is the first time a reversible electrochromic effect has been induced by light.

The experimental cell in which the phenomenon was observed was formed by sealing the liquid between two sheets of glass, each of which was coated with a transparent

approach to recording images. Like photography, it captures a picture by exposing a "film" to light. But instead of using photographic chemically-based and irreversible development process, it "develops" latent images by applying an electrical field around the film.

Based on the electrochemical phenomenon called photo-induced electrochromism, the work started with the observation that transparent liquids containing organic molecules of the pyrazoline class, exposed to laser light, would form a faint blue-green image that became darker when subjected to an electric field.

The liquid film, held between two plates, retains the colour even after the field is switched off. However, if the direction of the field is reversed, the picture is erased and the recording solution is available for further image-forming.

Possibilities are that it will be advantageous to record information with a finely focused laser beam to provide considerably high image-forming resolution than is possible with matrix-type electrochromic displays in which picture elements can appear only at points in a predetermined grid.

IBM, POB 218 Yorktown Heights, New York 10598, U.S.

**• ELECTRONICS**

### Shows eight channels of logic

INTRODUCED to the U.K. market by Ortec of Luton is a logic analyser able to record and display eight channels of digital logic at speeds up to 50 MHz.

Interfacing with an standard oscilloscope, the Biomation 851-D can operate in a latch mode which enables it to catch single pulses as narrow as five nanoseconds. It can capture 512 words (one bit per channel, eight channels) placed before, around or after the trigger event. Two separate logic threshold levels for monitoring mixed logic families are offered.

Among the trigger facilities are one which fires from a combination of channels levels, and another which starts recording after any change occurs from a preset combination of levels. Dallow Road, Luton, Beds LU1 1SU (0582 27582).

**Wiring of complicated boards**

MEMBRAIN, the British-based manufacturer of automatic test systems for electronic equipment, is marketing a complementary product, the MCS500, for use in the wiring of very complex printed circuit boards and backplanes where high standards of precision are required.

Manufactured by CIT-Alcatel of France, one of the major suppliers to the French PTT, the MCS500 has already achieved considerable success in Europe where several hundred of the machines have been sold. In addition, Membrain has installed an MCS500 at its own factory in Wimborne, Dorset.

Semi-automatic wire wrapping is up to 4 times as fast as manual methods, as well as being considerably more accurate, and while only a quarter as fast as fully automatic methods, it is 10 to 15 times less expensive.

Membrain on 02017 6116.

### First PO approval

GIM has become the first MOS microcircuit manufacturer to receive full Post Office approval as a supplier of microcircuits for use in P.O. equipment.

Post Office D4000 approval for GIM's Glenrothes, Scotland, production unit relates to the Metal Thick Oxide Nitride Process (MTNS). This was pioneered by General Instrument because of its rugged electrical characteristics and has now been accepted by the Post Office for use in telephone exchange equipment.

## • COMPUTERS

### Plans for a better service

TWO PUMPS, one for medium pressures and the other for low, have been developed by the West German Voith Group and are to be marketed in this country by its UK subsidiary, Voith Engineering, Ambassador House, Brigstock Road, Thornton Heath, Surrey CR4 7JG (01-889 0741).

consequence, to start, a sales

## • PROCESSING

### Pumps from Germany

Rugby CV21 3HQ (0788 78214), drive for its cooling towers on it incorporates information collected on the basis that, with water costs still increasing and pollution control becoming more stringent, there are now few cases in which installation of a closed loop cooling circuit cannot be justified as financially sound. Amortisation of a cooling tower's initial

cost by capital outlay can be as little as one year, the company asserts.

The Delta-Neu range will handle water flows of from 400 to 275,000 gals./hr. Each model combines optimum heat ex-

change efficiency, low noise point value.

The medium-pressure IPM and the low-pressure IPN pumps complement the established IPH high-pressure range. Both are based on the internal-meshing gearwheel principle.

The IPM will be available in sizes between 3.6 to 36.3 cu. cm.

delivery volume to operate continuously at 210 bar with a peak of 240 bar, the IPN from 40.8 to 160 cu. cm. delivery rate at 80 bar with a peak of 120.

Applications for the pumps include hydraulic presses, injection moulding machines, material testing equipment and hydraulic cranes.

The company operates from

24, Station Road, Heaton Mersey, Stockport, Cheshire (061 427300).

levels and a high degree of resistance to corrosion and algae formation.

The company operates from

24, Station Road, Heaton Mersey, Stockport, Cheshire (061 427300).

Properties of chemical compounds

CHEMICAL ENGINEERS designing

process plant who are sharing

the Honeywell Maric III time-sharing

system can have access to 17

constant and 14 variable properties

of 396-chemical compounds

together with the properties of a mixture of up to 20 components.

The data is compiled and the

system operated by the Physical

Property Data Service of the

Institution of Chemical Engi-

neers.

Delta-Neu has decided, in neers,

165, Railway Terrace.

Chemical Engineers design

ing process plant who are sharing

the Honeywell Maric III time-sharing

system can have access to 17

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of 396-chemical compounds

together with the properties of a mixture of up to 20 components.

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## HOME NEWS

## Anglo-French talks on aerospace collaboration

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

**LORD BESWICK**, the chairman of the organising committee set up to prepare for nationalisation of the aerospace industry, is to meet General Jacques Mitterrand, the president of Aerospace of France, on May 19, to discuss future civil programmes in Europe.

The meeting follows the deep concern expressed by many sectors of the UK aerospace industry, including workers represented in the Action Committee for European Aerospace, at the possibility of Aerospace and Dassault of France adopting future programmes in collaboration with the major US companies Boeing and McDonnell Douglas.

Such actions, it is widely

believed in the U.K., could destroy any possibility of establishing a more closely knit European aerospace industry. The president of Aerospace of France, on May 19, to discuss future civil programmes in Europe.

Lord Beswick is expected to stress to General Mitterrand that although the major U.K. aerospace companies British Aircraft Corporation and Hawker Siddeley Aviation, are due to be nationalised under the Bill now before Parliament, they are still able to negotiate on future projects with their European counterparts and indeed are being encouraged to do so.

This means that Britain is anxious to play a full part in any future European civil air-

venture, and that nationalisation, although affecting the internal structure of the U.K. industry, does not in any way alter its ability or its intention of continuing with international collaboration.

Lord Beswick has in fact encouraged the two U.K. companies to get together to harmonise their plans for future civil aviation developments and has asked them to prepare a working paper on the topic.

Mr. Eric Varley, Secretary for Industry, has also said that the impending nationalisation should not inhibit the two companies from making proposals for future programmes for consideration by the Government and the Aerospace Organising Committee.

Minister pledges more freedom for State ship, aero companies

BY OUR AEROSPACE CORRESPONDENT

**THE STATE-OWNED** British Aerospace Corporation and strong and organic form." British Shipbuilders "will have another major characteristic the same sort of commercial of the proposed corporations is freedom as private sector companies, but subject of course to Ministerial control," according to Mr. Gerald Kaufman, Minister of State in the Department of Industry.

Writing in the latest issue of Trade and Industry, the journal of the Department of Industry, Mr. Kaufman said that the Aircraft and Shipbuilding Bill, now going through Parliament, commits the Government to greater industrial democracy in the industries concerned.

"This means that what is arranged should be derived from and reflect the views of the workforce; it should not be imposed on nationalised forced down their throats and industries which put them at a

disadvantage to any private company operating in the same sector.

"We have no intention of preventing nationalised industries taking up opportunities which make commercial sense just because these might lead them into activities whose scope was a little different from those in the original statute."

Mr. Kaufman also says that anxieties have been expressed about the effects of the corporations' trading practices on companies remaining in the private sector.

"There is no question of the corporations using their unrestrictive dominance in their respective sectors to discriminate unfairly against private sector companies."

Mr. Kaufman also says that

"We have also made it clear that we want to give the new corporations the greatest amount of freedom in decision-making as is consistent with public accountability and the government's own broad policy."

"We are totally against restric-

tions imposed on nationalised

workforce; it should not be imposed on nationalised forced down their throats and industries which put them at a

## Reunion flights to Australia

BY OUR AEROSPACE CORRESPONDENT

**BRITISH AIRWAYS** and Qantas, the Australian airline, airline-run family travel club in have jointly formed the Australian Family Reunion Club. It is likely to be followed by similar ventures by airlines designed to tap the fastest growing section of airline business in the world—the Britons who have relatives or close friends in Australia.

The Club will enable members to save for travel at a later date, or use a "fly now-pay later" scheme, in conjunction with Forward Trust, the City finance house.

Travel research by the two airlines shows that one in every five households in Britain has visit Australia, family ties or friends in Australia.

"In fact, if British Airways and Qantas were to organise an fares at just over £500 return.

airlift of that tonnage, it would need a 747 Jumbo jet leaving London every hour for Australia between now and 1984 to complete the job."

Mr. Gerry Draper, British Airways Travel Division director, said: "Flights to Australia are still about the best value for money to be found anywhere."

Captain John Lower, regional director of Qantas in Europe, said: "Our research showed that there was this product—staggering total of people in Britain who had an undeniably strong motive for wanting to go to Australia."

In line with the new club, British and Qantas are providing 747 Jumbo jets this summer for club flights between the U.K. and Australia, with excursion fares at just over £500 return.

## Maudling wins court battle with Granada

**MR. REGINALD MAUDLING**, shadow Foreign Secretary, won his High Court fight yesterday to stop disclosure of evidence he gave in secret during the Poulson bankruptcy hearings.

Granada Television, which is being sued for libel by Mr. Maudling, had asked the Bankruptcy Divisional Court for an order allowing them to see a transcript of the evidence—without Mr. Maudling's consent—for use in preparation of their defence.

But Mr. Justice Walton, sitting with Mr. Justice Foster, said they had read the transcript and were unable to find anything in it which was material to the libel action.

The judge said Granada's allegation that, in refusing to allow disclosure, Mr. Maudling was using "two standards of the truth," was completely unjustified.

Mr. Justice Walton said the libel action arose from a "World in Action" programme screened in May, 1974, and entitled "Business in Gozo." That programme alleged that Mr. Maudling "played at times a crucial role in obtaining necessary contracts for Poulson."

Granada was ordered to pay Mr. Maudling's costs and those of Mr. Poulson's trustee in bank. Granada claimed that the facts represented were substantially true and were at the hearing.

## British Oxygen to expand

By Our Own Correspondent

**BRITISH OXYGEN** is to expand its Middlesbrough plant at a cost of £15m, to meet increased demand from the British Steel Corporation. The plant produces 5,000 tons of oxygen and nitrogen a day and the expansion will increase this to 7,700 tons.

Only in the most exceptional circumstances would someone not interested in a bankruptcy be granted leave to see a private transcript. The fact that the person who gave the evidence was bringing a libel action was in itself a special enough circumstance.

The judge said: "If there were to pitch the matter at its highest—an express admission by Mr. Maudling that he had been guilty of one of the matters alleged in the libel, this would be of such materiality that it would doubtless be necessary to allow inspection of the crucial passages."

The judges had reluctantly concluded that they should read the transcript to discover whether there was anything in it so obviously relevant to the libel action that ought to have been disclosed. "We have been unable to discover any such material," said the Judge.

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Maintenance work over the lifespan of the station has reduced the asbestos at many points to a fine dust. Moreover, some of the sites are urban locations — for example, the CEBG is planning to pull down stations at Barking and Fulham in London, and one in Brighton.

## Scottish Labour call to appoint Minister for Glasgow

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

**THE BREAK-AWAY** Scottish Labour Party, launching its first election campaign since its formation at the beginning of the year, yesterday called for the appointment of a Minister with special responsibility for Glasgow.

The party said that Glasgow's combined problems of poor housing, high unemployment and urban deprivation in the U.K. placed the city in a special category requiring a unique scale of assistance.

A Minister for Glasgow should be appointed within the Scottish Office and be directly responsible to the Prime Minister. He should be the "bustler" for the city, making sure that additional resources were allocated, and overseeing a 10-year comprehensive redevelopment of the city.

The proposal was made by Mr. Joe Farrell, a Strathclyde University modern languages lecturer, who has been selected as the SLP candidate for the June 1 Glasgow district council by-election in Labour's Darnley ward.

The by-election has been

caused by the recent conviction and imprisonment of Baillie Gordon Kane, who was deputy leader of the ruling Labour group on Glasgow District Council. He was convicted of falsely claiming loss-of-earnings allowances as a councillor.

This circumstance, plus the fact that police investigations are continuing into other aspects of alleged corruption in the city, has prompted the new party to make an issue of what it calls "the moral and political bankruptcy of the old Labour Party."

Mr. Alex Neil, SLP's general secretary, said that the theme of his party's campaign would be that it was time for a "fresh start" not least on the whole question of the morality and integrity of government in Scotland. "We want to clean up the city chambers," he commented.

The by-election will be an important local test of the SLP's capacity to attract votes from both Labour and the Scottish National Party with its demand for a strongly devolved Scottish Parliament within the remaining framework of the U.K.

## Optimistic forecast for streamlined merchant fleet

**AN OPTIMISTIC** forecast for a streamlined British merchant fleet was given yesterday by Capt. William Lucas, general secretary of the Mercantile Marine Service Association.

He told the annual meeting in Liverpool of the association, which represents the interests of British ships' masters, that the industry did not appear to present a very exciting picture with ships being laid up, sold or scrapped and orders for new tonnage cancelled.

The number of members losing their jobs was also increasing

and many others feared their own redundancy ahead. But he did not believe that the picture was entirely black.

"The British merchant fleet is composed mainly of modern ships and while some of the older ones have outlived their usefulness and yet might not be replaced immediately, new ideas and new types of tonnage are being developed as replacements."

"The important question is what will be the size of the British merchant fleet in future?"

Capt. Lucas said that in 10 years it might be half its present size, but despite this reduction, if it was efficiently run and properly manned by highly qualified seamen and officers, there would be an assured future.

If the industry, with the expertise and skills accumulated through years of trading and sailing, got its priorities right, determined its future requirements, and showed that young officers had assured careers, British ships would still carry full cargoes in the years ahead.

Assistant Official Receiver, Mr. Edwin Ebsworth, said that in 1972 the company took over the assets and liabilities of a number of companies in a building group. It became responsible for at least 40 contracts in varying stages of completion and employed over 100 skilled men, many of whom were treated as self-employed, on sites in Manchester, London, Nottingham and Essex.

Delays and rising costs and unexpected technical problems put the New Malden, Surrey, company in difficulties. It appeared that the size of the debts was due to cross guarantees entered into by Spreckley.

The company, which was wound-up on March 8, accepted responsibility for the debts of other companies in the group. The matter was left with the Official Receiver.

## Asbestos rules raise cost of dismantling old power stations

BY DAVID FISHLOCK, SCIENCE EDITOR

**ASBESTOS DUST** hazards are now an important factor in the high cost of around £1m per station of dismantling old coal-fired power stations, as a result of new asbestos regulations, says the Central Electricity Generating Board.

This was disclosed at a Forston nuclear industry meeting in Madrid this week, when a "straw poll" among nations with nuclear power programmes showed that West Germany alone

was making financial provision towards the cost of disposing of old nuclear power stations.

The question whether old nuclear plants would remain as permanently hazardous "monuments" because of their radioactivity, has been raised by those opposed to nuclear energy.

West German utilities are now required to set aside 2 per cent of the capital investment in nuclear generating plant towards the eventual cost of disposal of the radioactive remains.

But senior CECB officials in Madrid, while admitting that they were making no such provision, pointed out that the cost of dismantling redundant fossil-fuel stations had already reached about 15 per cent of the original capital cost.

In this case the big hazard is asbestos dust, arising from the extensive use of asbestos in insulating steam pipes, which because of the age of the stations—25 years or more—is suspected of containing some of the particularly hazardous blue asbestos.

Maintenance work over the lifespan of the station has reduced the asbestos at many points to a fine dust. Moreover, some of the sites are urban locations — for example, the CEBG is planning to pull down stations at Barking and Fulham in London, and one in Brighton.

Austin Reed

Squash Championships

Sunday May 9th

at the Wimble

on Sunday

# BOOKS

## Success saga

BY G. P. SNOW

**Steinbeck: A Life in Letters.**  
Edited by Elaine Steinbeck and Robert Wallsten. Heinemann, £8.00. 906 pages

The life of John Steinbeck reads like a parable of contemporary American literary success. Born into a comfortable middle-class family, failed to complete a conventional education; played with a variety of pointless jobs, all the time having the intention (entirely honourable) to live by writing and nothing else: poverty until his mid-thirties, then sudden and enormous commercial success (*Of Mice and Men*, *Grapes of Wrath*). Significant income thereafter. Financial worries, on account of three marriages; periodic heavy drinking; Nobel prize, award denounced by factions in literary New York; decline of creative impulse, decline of health; death at sixty-six.

These letters tell a good deal of that story. A collection of nine hundred pages takes some justification, though. If a writer is genuinely eminent, then maybe all his letters should be printed, even if they are as dull as writers' letters tend to be. Alternatively, though not often, letters of some writers are worth printing for their own sake (with Keats, Byron, D. H. Lawrence).

Steinbeck seems to come hitherto and between. As a writer, he wasn't genuinely eminent, though much better than his detractors allowed. He operated somewhere in the no-man's land between naturalism and symbolism, which isn't one of my favourite territories, but which gives scope for a certain kind of simplifying imagination—or sometimes fancy. That was also true of Hemingway, more original than Steinbeck in verbal treatment (though both had a lucky in his third marriage).

curious addiction to the Steinbeck repetitive stutter—why did this seem to their generation in America so peculiarly magical but not elsewhere? There is a profound danger lurking beneath their kind of symbolic simplification. Underneath the tough or defiantly obscene veneer, there is authorial sentimentality yawning below. Steinbeck himself, who thought seriously about the writing life, says that when a writer has established his technique it not only determines how he writes but also what gets written. Many people will recognise the truth of that.

The letters, which contain a fair number of such professional insights, are not sparkling but, since he was a lonely man, often confidential and appealing. Some of the best are to his literary agent, Elizabeth Otis, with whom he had apparently the only untroubled relation—both business and emotional—in his life. She managed him with admirable sensitivity, and it is a pity that we haven't her letters in reply. Some might be more interesting than his own.

On the evidence of these epistles, he seems to have been a more sensible man than most of his colleagues—Hemingway and Faulkner, and he was generous towards them, even when irritated by their pretensions. He sustained the difficult task of getting on well with John O'Hara, who was about as touchy at a writer can reasonably be, which is saying a good deal.

Steinbeck was, on the whole, well disposed to his fellow human beings, but not a specially perceptive judge of them. He was surprised, or at least persuaded himself that he was surprised, when in succession his first two wives revealed that for years they had found him intolerable to live with. He was, however, a pitty that they had a lucky in his third marriage.

## Modernist apologia

BY MARTIN SEYMOUR-SMITH

**Notes for a New Culture** by Peter Ackroyd. Vision Press, £3.40. 152 pages

Peter Ackroyd is a polemic modernist: his book is invigorating as a series of "notes," though the intelligent English reader unversed in recent French criticism will find it difficult to follow. It is tribute to his perspicacity and rare intelligence that, for those who can follow him, it raises questions which require answering at a length certainly not less than that of his own book.

For Peter Ackroyd, who seeks to "counter the malaise of English literature" the malaise of obsolete humanism of critics stands between reader and book: the autonomy of literary art, which is language "as experience in itself," is denied. He traces out a "secret history of modernism, which he sees as presuming a death of 'Man in his reprehensible self-conceived idea of himself as searcher for origin and goal.'

Language is writes [manifests itself when it ceases to identify with "truth" or "meaning," and it may be that man will fully recognise himself when he ceases to search for an origin or goal.

He sees the concept of modernism as beginning in the late eighteenth century, with the battle of the "Ancients and Moderns" as "the most obvious symptom of a vast transition." He lends this notion some merit. But others may as convincingly see the origins of the concept (if not the word, not merely in Hobbes and Cervantes, but in ancient Greece), then just as in a certain much elongated, but still snubbed range of what has come to be known as "Baroque"—a "permanent, if varied, form of human expression," in which "modernists" keep reassessing themselves. It is at least interesting to consider Peter Ackroyd's rather abstruse polemic as just such a manifestation.

But what the reader may well ask, is this polemic about? First, spring from negation; it concerns what the French

critic Roland Barthes calls "writing degree zero." For Barthes, as for Ackroyd, modern poetry should be "inbuman": unconcerned with coherence, leading towards silence. "To the doors of a world without literature about which, however, it will be necessary for the writers to testify."

And "writing degree zero" has no "voice" (no stamp of the author's personality), and disposes the human condition with a mathematical purity.

Secondly, it is concerned with the French *nouveau roman* (of which Barthes approves). For Robbe-Grillet and other "new" novelists anthropomorphism, the pathetic fallacy, is intolerable; it is at the least irrelevant, and as he insists, "our literature ignores it. His brilliant account of Joyce demonstrates the importance of those terms—and his fundamental grasp of them."

Thirdly, it is at least in part structuralist; it is, to oversimplify, interested in the underlying structure of human behaviour or aspects of it, rather than in function, or sequence, or cause and effect. Levi-Strauss in anthropology and Noam Chomsky in linguistics are the most famous exponents of this approach—and Ackroyd's failure even to mention the work of the latter considerably weakens the force of his argument. Fourthly, it is based in phenomenology, a type of philosophy which has found (with a few honourable exceptions) little response in Great Britain.

Since the author is cursory in his discussions of individual writers, he can often mislead. His account of Levi-Strauss is over-selective and tendentious; although not uncritical of him, he conveys no sense of awareness that Levi-Strauss is highly inconsistent. His discussion of Joyce demonstrates the importance of those terms—and his fundamental grasp of them.

Michael Lipton and John Firth trace the decline of this relationship between India and Britain.

A hundred years ago India was responsible for 10 per cent of Britain's trade; to-day it has shrunk to 1.5 per cent. From India's point of view, Britain has been responsible for both the U.S. and USSR. Some of that decline was natural, part of shrinking off the roles of colony and colonialist. Britain as a declining ex-power has chosen closer ties with Europe; India as a growing country has sought ties with more important countries and naturally enough moved very close to the Soviet Union when it let down in 1971.

Part of the Lipton-Firth thesis in this excellently documented

## Fading friendship

BY KEVIN RAFFERTY

**The Erosion of a Relationship: India and Britain since 1960** by Michael Lipton and John Firth. OUP for the Royal Institute of International Affairs, £13.00. 427 pages

India was not long ago the brightest jewel in the imperial British crown: to-day, who cares about India? Not many people—*we have enough problems trying to forget our own fate*.

Michael Lipton and John Firth trace the decline of this relationship between India and Britain. India has fallen almost headlong.

A hundred years ago India was responsible for 10 per cent of Britain's trade; to-day it has shrunk to 1.5 per cent. From India's point of view, Britain has been responsible for both the U.S. and USSR. Some of that decline was natural, part of shrinking off the roles of colony and colonialist. Britain as a declining ex-power has chosen closer ties with Europe; India as a growing country has sought ties with more important countries and naturally enough moved very close to the Soviet Union when it let down in 1971.

Part of the Lipton-Firth thesis in this excellently documented

(but appallingly expensive) book is that the process has gone too far, sometimes ludicrously so. They cite the negotiations for the British entry to the Common Market when Whitelaw's men fought harder for trade concessions to Mauritius than even for trade discussions (their priorities) with India.

Does it matter? Circumstances since the Emergency have of course changed, but I gather that there is satisfaction in New Delhi that by shutting out the main India specialists of the British press India has shut up its critics.

India has shamed the British press.

But to produce the lies even more, and so far the west has taken response of the prickly Brahmin pride. If Indo-British relations are to be improved

India needs more and more attention, not less and less.

It needs attention which will get beyond the trivial, will recognize

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## Opal minds

BY B. A. YOUNG

**Wandering Abroad** by Jeffery Amherst. Secker and Warburg, £5.50. 224 pages

**All People are Famous** by Harold Clurman, Harcourt Brace Jovanovich, £4.65. 227 pages

"May thy tailor make thy doublet of changeable stuff," said Feste to Orsino, "for thy mind is a very opal." Lord Amherst wears his mind on his sleeve in this happy autobiography, and a colourful opal it is, almost chameleonic-like, though Lord Amherst changes his colour when he wants to, not willy-nilly at the dictates of his background.

A conventional well-connected youth took him through Elton and the Coldstream in the First World War (he won an MC, but tells us nothing of that). Less conventionally, he then set himself to sell bonds in New York, but a restless cast of character resulted in a move to the New York World, first as a reporter, then as a theatre critic under Alexander Woollcott.

That job having gone in the depression (while he was going

round the world with Noel Coward), Amherst was asked casually by Sir Sefton Brancker, "Why don't you go in for aviation?" So he learnt to fly and became a civil airline pilot. A little old for fighting in the second war, he spent much of it on the Staff in Cairo, one of the "gabardine swine," and makes it sound as much fun as New York five years before. Then to BEA.

There he divided his time between criticism and performance, a division some people find mistaken (though always making an exception for Shaw); Clurman was a director of distinction, whose early work with the Group Theatre between 1929-41 was specially valuable with its production of Odets and Irwin Shaw. What I've read of his "autobiography" (a fine collection of essays was published two years ago under the revealing title *The Divine Pastime*) does not reflect so well as artfully contrived to emerge as a self-portrait. Not a flattering one; he seems arrogant, self-indulgent and humourless; when he takes the opportunity of recounting one of his own blander diets the chances are that it will be notably uninteresting.

Harold Clurman, far more deeply involved in the theatre world, is a more sombre opal. He calls his book "Instead of an autobiography"; it consists of auto-biographies of the people in his life, but so artfully contrived to emerge as a self-portrait. Not a flattering one; he seems arrogant, self-indulgent and humourless; when he takes the opportunity of recounting one of his own blander diets the chances are that it will be notably uninteresting.

However, this must be the portrait he wants us to see. Beyond it there is an interesting man. With Aaron Copland he became a civil airline pilot. A little old for fighting in the second war, he spent much of it on the Staff in Cairo, one of the "gabardine swine," and makes it sound as much fun as New York five years before. Then to BEA.

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As he demonstrated in his unusual first novel, *Death of an Old Goat*, Robert Barnard has an individual talent and a gift for devising invention. In his second book the donnée is special, with Odets and Irwin Shaw. What I've read of his "autobiography" is appealing; a "village full of particularly nasty people" is the subject of a radio documentary, and the villagers promptly start jockeying for inclusion in the broadcast. The murder, when it comes, at first seems excessive, but the author justifies it splendidly. Fun to read, though the humour is sometimes over-compulsive. In his opinions are his most valuable stock-in-trade.

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## LABOUR NEWS

# Civil Servants vote against incomes policy

BY CHRISTIAN TYLER, LABOUR STAFF, IN MARGATE

ONE OF the first union conferences to debate incomes policy but this is the first time that after announcement of the new pay guidelines showed yesterday they may swing the union behind pay curbs despite yesterday's conference opposition to incomes policy.

Although debating a resolution framed many weeks ago, speakers at the conference in Margate of the biggest Civil Service union, the Civil and Public Services Association, attacked the 4.5 per cent limit as a further and unjustifiable cut in workers' living standards.

The 1,200 delegates overwhelmingly backed their national executive's opposition to the incomes policy, and voted against "any form of policies which mean unemployment, inflation, public expenditure cuts and a deterioration in living standards."

However, because the guidelines approved by the TUC General Council on Wednesday had emerged so recently, the CPSA executive had decided before the debate that the decision would not be binding on the union for the special TUC on June 16.

The deal will be put to special meetings of the union's 900 branches over the next few weeks.

Yesterday's vote makes it more than likely that the executive will recommend rejection by the branches when it meets next Thursday to analyse the guidelines. The CPSA conference has no investment.

## THE INCREDIBLE TRUTH ABOUT AYCLIFFE

Imagine a town where workers and management settle their differences without resorting to long, bitter disputes, where unemployment is low but there is a large pool of experienced industrial workers nearby, where training facilities are outstanding, where factories come complete with maximum development area grants... tax concessions... government loans...

Imagine too, a town where workers can automatically qualify for a new house at a reasonable rent, where kids can grow up in peace, where the countryside comes up to your door and where you are ringed about with three of the country's finest National Parks.

Give the whole thing fast motorway access to the rest of the country plus rail, air and sea links with Europe not more than 15 miles away and you must be talking about Aycliffe.

Aycliffe, County Durham, No. 1-new town in the North. Just a few miles up the motorway from Darlington. Incredibly, now nearly 30 years old, incredibly, now a town with an unemployment rate less than half the average for the north east. Also a bustling, busy pleasant town, full of secure people with nice homes, good jobs and a bright future to look forward to.

Perhaps the most incredible thing of all is that you don't know very much about it.

But that we can easily take care of. Just write or phone and ask us. If you're looking for somewhere to establish a plant, ask for a copy of our brochure "Aycliffe—Where Ideas Grow." And if you want a job here, ask for a copy of our "Jobs and Homes" booklet.

Aycliffe? It's incredible!



AYCLIFFE DEVELOPMENT CORPORATION  
Churchill House, Newton Aycliffe, Co. Durham DLS 4LE  
Tel: Aycliffe (032-571) 2522

Dfls. 30,000,000.—

6½% Bearer Notes 1972 due 1976/1979

of

THE COUNCIL OF EUROPE  
RESETTLEMENT FUND  
FOR NATIONAL REFUGEES AND  
OVER-POPULATION IN EUROPE  
Strasbourg  
(Headoffice: 55 Avenue Kleber, Paris XVI)

As provided in the Terms and Conditions Redemption Group No. 2, amounting to Dfls. 7,500,000.—, has been drawn for redemption on June 15, 1976 and consequently the Note which bears number 2 and all Notes bearing a number which is 4, or a multiple of 4, plus 2 are payable as from June 15, 1976

at

Algemene Bank Nederland N.V.  
(Central Paying Agent)  
Pierson, Heldring & Pierson N.V.  
Amsterdam-Rotterdam Bank N.V.  
Bank Mees & Hope N.V.  
in Amsterdam;  
Banque Bruxelles Lambert S.A.  
in Brussels;  
Banque Lambert-Luxembourg S.A.  
in Luxembourg;  
Algemene Bank Nederland (Genève) S.A.  
in Geneva;  
Algemene Bank Nederland in der Schweiz AG  
in Zurich.

April 27, 1976.

## North-West miners' delegates meeting rejects TUC pay deal

BY OUR LABOUR STAFF

AN EARLY grass roots reaction riby surprised by it, I think Mr. Daly conceded but for many to the TUC's proposed pay deal it will be difficult to sell this year they would lose prestige with the Government provided policy to the miners as it will and respect inside the trade a nasty shock for some miners' be to many other people, and would become isolated. He predicted leaders yesterday when a conference representing nearly 10,000 miners narrowly refused

I would not like to see us coal fields on whether to accept a pay deal if a ballot were taken in the long run that is not a becoming isolated. He predicted that if a ballot were taken in the

the TUC and the Government NUM members would say

to the rest that's it's a yes-man's society of any type is not, and is any person in Britain today

who is paying that the trade unions will not reach agreement

on economic policy with the Government it is Margaret Thatcher.

Labour Party are going to have and if there is one person who is paying that if there is going to be a guerrilla break-out it will be the miners, it must surely be another year. Admittedly it is Edward Heath."

To some extent the narrow vote in the conference against the TUC wages strategy—taken on a card vote after a tie by show of hands—was bad timing.

The matter was put to the conference early on by Mr. Syd Vincent, the North-West NUM area secretary, who was opposed by some demanding free collective bargaining. But the

embarrassment might have been avoided if the vote had been taken after Mr. Daly's eloquent speech.

Annual Statement—Contd.

Dealing with the demand for a week for coalface workers

which will come before the NUM annual conference in July, Mr. Daly said: "I don't think there is any disagreement that we want £100 at the coalface, but the question we have to ask ourselves is £100 of what?"

I am for £100 of real money, and not £100 of worthless paper, and that was the situation for which we were heading in the middle of last year. Something had to be done."

He underlined his view that it would be a bad mistake for the miners to say to other unions

that you for your support in our victorious struggle in 1972 and 1974 but we don't want to know you now."

"I was disappointed but I must honestly say I was not ter-

rified that it would be a bad mistake for the miners to go alone successfully

for those in the field of international monetary speculation who will either be buying or selling this or that currency on the basis of your decision this morning."

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## PARLIAMENT



# Inflation war must be won — Callaghan

## Borrowing and repayments compared

Financial Times Reporter

QUESTIONED about foreign currency borrowing in the Commons yesterday, Mr. Robert Sheldon, Financial Secretary to the Treasury stated that between March 1974 and April 1976 the Government borrowed some \$3.67bn. and repaid the equivalent of \$0.37bn.

During the period of office of the last Conservative Government, between May 1970 and February 1974, the respective amounts were \$2.6bn. and \$1.38bn.

In a further reply, Mr. Sheldon told MPs that local authority currency borrowing under the exchange cover scheme outstanding at the end of April was equivalent to \$850m.

The amounts outstanding on the last working days of February and October 1974 and October 1975, calculated by reference to exchange rates in force on those days were equivalent to £235m., £550m. and £620m. respectively, but there was borrowing equivalent to £181m. (at end October 1974 exchange rates) between February and October 1974.

## Next week's business

COMMONS business next week is: Monday—Local Government (Miscellaneous Provisions) Bill; Agricultural (Miscellaneous Provisions) Bill, remaining stages.

TUESDAY—Finance Bill, committee.

WEDNESDAY—Debate on the Navy.

THURSDAY—Finance Bill, committee.

FRIDAY—Private members' Bills.

MONDAY (May 17)—Finance Bill, committee.

Lords debates are:

MONDAY—Energy Bill, report.

TUESDAY—Crafting Reform (Scotland) Bill; Fresh Water and Salmon Fisheries (Scotland) Bill, third reading; Public Lending Right Bill, report; Land Drainage (Amendment) Bill; Commons amendments: debate on asbestos.

WEDNESDAY—Debates on the Council of Europe, and the problems of the telecommunications industry.

THURSDAY—Public Lending Right Bill, third reading; Local Government (Miscellaneous Provisions) Bill, second reading; Endangered Species (Import and Export) Bill, report.

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN rode roughshod through the Commons yesterday in patriotic pursuit of the counter-inflation campaign.

This was a day for the national interest: "Confound their politics, frustrate their knavish tricks."

Mrs. Margaret Thatcher's demand for a General Election was roundly pushed aside.

"This country has this week won a battle against inflation," Mr. Callaghan declared. "We have not yet won the war."

Instead of petty skirmishing along the Government's flanks, the Tory leader should lend support to the advance from the "strong bastion" of the pay policy.

The economic policies on which the Government had fought the last two elections had been disastrous for the country, snapped Mrs. Thatcher. And its strategy now demanded less borrowing and more incentives if it were to be successful.

But the Prime Minister refused to be diverted. "I hope you will cease to think about General Elections until the war against inflation is overwinning the salve."

No time was given for tactical argument—especially with those whose last confrontation had ended in the 3-day week.

Some Tories, however, carried on harrying. Why are you "elbowing" middle management? demanded Mr. Robert McCrindle (Brentwood and Ongar).

Mr. Callaghan rejected the charge. "They understand better than you the needs of the present situation," he replied.

And Mr. Norman Lamont (Kingsgate on Thames) quoting Mr. Callaghan's son-in-law, Mr. Peter Jay, economics editor of The Times, in aid, made little

more impression with demands for immediate public expenditure cuts.

Public spending had to be kept in order, Mr. Callaghan

said.

He was seeking formal representation for the PLP at the quarterly meeting of the Labour Party's national executive committee and the Cabinet. The move was seen at Westminster as an attempt to counter-balance the predominantly Left-wing NEC with the moderate dominated PLP.

Mr. Hughes told the regular weekly meeting of the PLP last night that the Labour Party was sustained by three pillars—the Government, the NEC and the PLP—and each should play an equal part.

Also present at the meeting

between Mr. Hughes and senior Ministers, the date of which has yet to be decided, will the Government Chief Whip, Mr. Michael Cocks, and the chairman of the backbench groups.

Ministers will be urged to consult with backbenchers at the earliest stages of policy formation.

Mr. Brown said he could not accept all the suppositions in Mr. Pitt's questions. "I am sure he would not expect me to go further than I have gone," said the Minister.

Nominations closed yesterday for the two vacancies on the PLP Government Liaison Committee created by the promotion to Ministerial posts of Dr. Michael Habib MP for Greenwich and Mr. James Wellbeloved MP for Eith and Crayford, both of whom are prominent members of the moderate Manifesto Group.

Manifesto Group standard-bearers in the election, which will be confined to backbenchers, are Mr. Jack Ashley, MP for Stoke South, and Mr. Sydney Irving, MP for Dartford. The candidates of the Left-wing Tribune Group are Mr. Frank Allaun, MP for Salford East, and Mr. Norman Atkinson, MP for Tottenham.

In a straight fight, the Manifesto Group could expect a near victory. But the intervention of non-aligned candidates, Mr. Bryan Gould MP for Southwark, Mr. John Hooley, MP for Sheffield Heeley, makes the outcome unclear. The results will be declared next Thursday.

Last night's meeting was also attended by Joel Barnett, Chief Secretary to the Treasury, that the Government will be making a statement shortly about the alleged involvement of BP in payments to Italian political parties.

Mr. John Grant, Employment Under Secretary, said the Bill's central purpose was not to preserve a reasonable racial balance but to abolish racial discrimination by ensuring equality of opportunity and fair treatment on the basis of a person's individual qualities.

The racial balance provisions were an exception to the principle of non-discrimination, and those who wished to maintain them must show justification.

## 'Racial balance' demand

THE RACE Relations Bill would "get off to a very bad start" if it flouted the wishes of employers, Mr. Patrick Mayhew (C. Tunbridge Wells) warned the Standing Committee on

the Commons yesterday.

He claimed that employers who belonged to the Confederation of British Industry did not wish provisions relating to "racial balance" to be removed from the Bill yesterday.

Mr. Mayhew was speaking on a Conservative amendment, which was defeated, to maintain an employer's right to discriminate if it was done in good faith to secure or preserve a reasonable balance of different racial groups.

He was supported by Mr. David Lane (C. Cambridge) who

warned of the risk of racial monopoly situations.

Special unions might be created which could lead to fragmentation rather than integration of racial employment. A racial monopoly situation could lead to immigrant labour being exploited, he said.

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## MPs seek greater policy influence

By Peter Hennessy,  
Lobby Correspondent

MR. CLEDDWYN HUGHES, chairman of the Parliamentary Labour Party, is to meet with senior ministers to press for a greater say for Labour backbenchers in the formulation of Government policy.

TEE CASE of the eight Special Air Service soldiers, held under arrest in an Irish police station yesterday elicited a special statement from the Government in the Commons last night.

The eight soldiers were on a routine patrol when they made an accidental early morning incursion into the Irish Republic, said Mr. Robert Brown, Under-Secretary for the Army. They encountered a check point manned by police of the Irish Republic, and they realised they had made a map-reading error.

The soldiers were still at the police station, said the Minister, when he addressed from a speech on the army to tell MPs about the mishap of the SAS soldiers. They were still at the police station at that time, and Mr. Brown added: "We are in touch with the Irish authorities."

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## PPS named

MR. ROY MASON, Secretary for Defence, has appointed Mr. Alan Lee Williams, MP for Hornchurch, as his Parliamentary Private Secretary, in succession to Mr. Patrick Duffy, who was recently appointed Under Secretary of State for Forestry.

Mr. Price (C. Eastleigh) said in the Commons yesterday.

Mr. Gavin Strang, Agriculture Under Secretary, said that the aim was to prevent the entry of the disease into this country.

"I do not accept that an outbreak is inevitable but we have made contingency plans to help us stamp out any outbreaks which might occur despite our efforts."

Mr. Price said rabies would not be a direct menace to the health of the nation but could be socially divisive between those who owned animals and those who did not.

He urged the Minister to set up a Select Committee to look into the problem.

Mr. Strang said it was not for him to set up a Select Committee.

"But I agree absolutely that it would be a disaster if rabies became endemic in this country."

He reminded the House that the Government had introduced

THE RABIES becomes established an "awareness campaign" to make sure that the public knew of the danger of bringing pets into this country illegally.

Mr. Emlyn Hoosen (L. Montgomery) said the Government should support fox destruction societies, as foxes were the greatest carriers of rabies. Many foxes breed in Forestry Commission land.

Dr. Strang said he would consider the suggestion. But plans had been well worked out for taking action in an infected area. In an extreme situation, this might well involve killing the local fox population.

Mr. Michael Jopling, an Opposition agriculture spokesman, said the Conservatives supported the Government's latest efforts to deal with the threat of disease but believed that the penalties were insufficient. There should be a prison sentence without the option.

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# COMPANY NEWS + COMMENT

## Dunlop earnings expand in second half

TURNOVER of Dunlop Holdings exceeded £1bn for the first time in 1975 and profit before tax rose to £55m from £24m. Attributable profits were up to £23m compared with £10.1m.

First half pre-tax profits were £19.83m (£20.53m) and the attributable profit, £5.1m (£5.1m). The directors said there that indications were that attributable profits in the second half would be above those of the first six months.

Trading results for the first quarter of the current year are ahead of 1975, the directors report.

A substantial increase in the capital expenditure programme for 1976 is already well advanced both in the United Kingdom and Overseas.

The final dividend is 1.95p net per 50p share making a total of 3.57p compared with 3.3p previously. Standard earnings per share are up from 9.7p to 14.7p before extraordinary items.

After all the adjustments for inflation, the net profit attributable to Dunlop Holdings, net of tax, available to holding gains, was £4.3m, representing a substantial improvement in "real" terms during 1975, the directors say.

The engineering and industrial groups in the U.K. had a good trading year. The tyre business in Europe and the U.S. remained depressed although there were late months of the year there was some improvement in the U.S. Activities in India, Nigeria and South Africa did well.

The share of associated companies profits rose substantially, mainly due to good results from Société Internationale Pirelli's activities.

Capital expenditure during the year amounted to £25m, which was the same as the previous year. Net current assets rose by £10m, mainly due to re-expressing overseas assets in sterling and decreases resulting from more effective cash control.

Cash flow of £45m was therefore more than adequate to cover the group's requirements. As a result borrowings were reduced and at the end of 1975 gearing was 61 per cent. (68 per cent in 1974).

Restated earnings per 10p share are up from 1.96p to 2.3p.

The interim dividend is 10p net per share, which is intended to take up its share of these rights. See Lex.

### HIGHLIGHTS

Dunlop has had a substantially better second half while there is further earnings growth in the first quarter and capital spending will be very much higher this year. Lex also takes a look at National and Commercial Banking where profits have shown a useful improvement in the first half due to better banking margins and the absence of any special provisions. Elsewhere Whessoe has moved into the black while there are doubts about prospects beyond 1976. Dutton-Forsyth has had a much better second half and the full year total is 34 per cent higher. Lower interest charges at Marshall's Universal have helped to push profits up by 15 per cent at the pre-tax level.

capital reconstruction whereby Pirelli is to have a rights issue. Dunlop will not be taking up its share of these rights. See Lex.

### Lighting & Leisure advance

WITH BOTH divisions again increasing profitability, pre-tax profit of Lighting & Leisure Industries rose from £287,400 to £351,976 for the half year to January 31, 1976.

Increased earnings per 10p share from £3.76m to £4.13m and trading profit from £320,032 to £364,674.

Pre-tax profit is struck after depreciation and amortisation up from £32,632 to £42,085. After tax raised from £148,000 to £182,400 net profit was up from £139,400 to £169,376.

The chairman, Mr. N. H. Davis, says that the benefits of the last year's good summer enabled the leisure division to refill quickly the empty pipeline between manufacture and consumer.

The group is engaged in the distribution and construction of motor vehicles and agricultural equipment.

#### ● comment

After a 42½ per cent downturn at the half-way stage Dutton-Forsyth staged a strong second-half recovery to lift the full-year pre-tax level by 34 per cent.

Comparison with a very depressed period in the second half did not help the recovery to some extent, but the group also enjoyed an increase in demand for agricultural equipment which took the British and Canadian subsidiaries up to a substantial level, after a break-even at half-time.

New car sales were depressed throughout the year as breakdowns in supplies from British Leyland restricted volume growth.

However, used car sales rose 12 per cent on a turnover increase of 9.8 per cent. Comparative figures for the current half will have to take into account the set-back to production in the lighting division last year after steadily during 1975 and the group

also benefited from increased concentration on spare parts and servicing. Growth this year looks like being at a rather slower pace but British and Canadian are still making progress and so far there is no sign of a slowdown in used car sales. In the short term then the shares at 25p, which yield 10.1 per cent, look reasonably well supported, though in the longer term if the used car market is unable to maintain its present level the group's high gearing—the borrowing ratio is now around 108 per cent—could give some cause for concern.

### Marshall's Universal upsurge

TURNOVER for 1975 of Marshall's Universal increased from £22.9m to £23.42m, and pre-tax profit expanded from £1.57m to a record £1.81m, after an advance from 10.1 per cent to 11.5 per cent.

Standard earnings per share were 44.25p (£4.25p). A final dividend of 3.00p on capital increased by scrip and rights issues effectively raises the net total from 5.88p to 6.045p.

A substantial increase in profits from UK activities is expected in 1976 because recent price increases will be contributing to results and further acquisitions are contemplated, the directors state.

Also sales of Peugeot motor cars in the first three months are up by 23 per cent, and higher cost problems, which adversely affected the component manufacturing company, have been rectified.

**£1.36m. by Dutton-Forsyth**

TURNOVER for 1975 of Dutton-Forsyth Group increased from £84.72m to £92.12m, and pre-tax profit advanced from £1.02m. to £1.36m., after £1.02m. against £0.58m. for the first half.

Standard earnings per 25p share increased from 2.3p to 3.4p, and the dividend is lifted from 1.785p to 1.75p net with a final of 1.25p.

The company is engaged in the distribution and construction of motor vehicles and agricultural equipment.

#### ● comment

After a 42½ per cent decline of any quick trade decking against consumer demand in the coming summer and thus enjoy what could be described as "more than one season's trading in the year."

#### ● comment

Although Lighting and Leisure says it is still feeling the squeeze of inflation, trading margins at 9½ per cent, in the first half have held steady at last year's overall average while pre-tax profits have risen 22 per cent on a turnover increase of 9.8 per cent. Comparative figures for the current half will have to take into account the set-back to production in the lighting division last year after steadily during 1975 and the group

All these Notes having been sold, this announcement appears as a matter of record only.



## The Royal Bank of Scotland Limited

(Incorporated in Scotland by Royal Charter in 1727 and registered under the Companies Act 1948)

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Svenska Handelsbanken	Swiss Bank Corporation (Overseas) Limited	Union Bank of Switzerland (Securities) Limited	Vereins- und Westbank Aktiengesellschaft
	S. G. Warburg & Co. Ltd.	White, Weld & Co. Incorporated	Wood Gundy Limited

6th May, 1976

### DIVIDENDS ANNOUNCED

Current payment	Date	Corresponding payment for last year	Total
£0.50	July 30	50.4p	1.71
1.25	—	1.25	1.85
0.75	July 1	67.05	0.88
1.25	1.25	3.00	3.25
1.25	July 2	1.25	1.75
—	—	1.16	1.16
—	—	2.64	2.26
—	July 15	2.3	3.01
5	June 30	4.97	5.07
3.89	July 1	1.03	5.50*
1.15	July 1	1.03	2.14
1.74	July 7	2.74	2.5
1.06	June 14	0.96	2.78
2.23	July 1	1.95	3.28
3.78	—	3.44	3.44
2.53	June 21	0.9	0.8
1.63	—	—	1.63

Dividends shown pence per share net except where otherwise stated.

\* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) On capital doubled by a rights issue.

## Brixton Estate increase

NET rental income for 1975 of machinery will help the Eds Brixton Estate rise from £3.21m. to £4.8m. to remain competitive in coming years, states chairman Mr. A. R. Burrows.

If inflation can be reduced to 10 per cent by the end of 1975 the country should be in a position to take advantage in upward trend of world markets.

A final dividend of 0.525p net effectively raises the total from £1.535p to 1.7065p per 25p share.

The directors state that expenditure programme for the beginning of 1976 there have been signs of a modest revival in confidence and a number of Buicks.

As reported on April 22, the company continues to look over expanded from £1.285m. in 1973 and profits rose from £522,000 to £552,000 in 1974 and a number of interesting proposals are now being considered.

Properties held for, or in course of development have been valued by the property director, and in his opinion their value distinctly exceed their book value (£1.26 per sq. metre) engineering and electrical equipment and materials 2.943 (£493), equipment and fixtures 2.202 (£16 per sq. metre) and office furniture 2.125 (£15 per sq. metre) engineering and electrical equipment profit came to £1.51m. There was a transfer supplies 277,000 (£25,000) no dealing profit (£82,000). Interest on properties in course of development cost £589,000 (£82,000 profit), joinery £25 loss 2 per cent (£1.500) and miscellaneous capital expenditure amounted to £57,000 (£28,000).

Inflation adjusted second pre-tax profits up from £526,000 in 1973 and a current cost accounting is now £530,000.

The ultimate holding company is Le Bas Investment. Meet Savoy Hotel, W.C. on May 26 noon.

**Wm. Baird relying on textiles**

In his annual statement to shareholders of William Baird & Co. chairman Mr. S. A. Field says he recognises the need of increasing earnings and that the group is on the textile A combination of some increase in demand and the benefit of changes to streamline the organisation and strengthen the management should bring about a considerable measure of improvement. And if additional investment is desirable specific projects will be considered.

He explains that the cash return from the relatively large amount of capital invested in associates is affected by dividend limitation. Darchem is probably entering a period of consolidation after several years of steady growth (the unprecedented gap now apparent in the U.K. power station ordering programme) with a substantial change in the composition of business within the next few years and Services is reduced in scale by the closure of the mine.

Baird is now a less diversified and more compact group with a strengthened balance sheet and improved liquidity. Results overall for the first quarter of the current year show an improvement over 1975.

Group sales and services for 1975 amounted to £55.05m. and profits were £2.05m. (5.5%) and the dividend is £1.50m. (15.26%).

Stated earnings per 25p share were 10.48p (10.21p) and the dividend is raised from £3.547p net with a final of 3.547p net.

The business is that of roof and builders' merchants etc.

**Roberts Adlard pays more**

ON A TURNOVER up from £1.9m. to £2.45m. pre-tax profits Roberts Adlard & Company are marginally lower at £20.342 million, compared with £21.515 million, earlier being down from £215,000 to £154,000 at halfway.

Net profit for the year is £251,845 (£244,922), after tax £258,797 (£232,500).

Stated earnings per 25p share are 10.48p (10.21p) and the dividend is raised from £3.547p net with a



## INTERNATIONAL COMPANY NEWS + EURO MARKETS

# Akzo progress continues in first quarter

BY MICHAEL VAN OS

**AKZO**, the Dutch chemicals group, produced first quarter results today which confirm that the business recovery which set in at the end of last year has continued in the first quarter.

It said that the net profit was Fls.22m. or Fls.73 per share in January-March, compared with a loss of Fls.55.2m. (loss Fls.1.89 per share) in the corresponding period of last year. Sales, at Fls.2.82bn., were up 22 per cent on the same period and they were 6 per cent up on the preceding period.

The company said in today's statement from Arnhem that the major improvement in the operating result—a loss of Fls.37m. was converted into a Fls.12m. profit—was mainly due to the improvement in the chemical fibres sector. In Enka-Glanzstoff, chemical fibre, the scale of loss fell materially. American Enka (Akzo) recorded distinctly positive results.

The Akzo statement noted, however, that the first quarter operating income was still only 4.6 per cent of sales whereas it had amounted to 8.4 per cent in the period 1969 through 1974.

Income from chemical products was slightly down to Fls.51m. compared with the first quarter of 1975 when results there had not yet been heavily affected by the recession; but they showed an improvement over the subsequent quarters. In the pharmaceuticals, consumer products and miscellaneous products sectors, sales and income overall were described as "satisfactory" in the first quarter.

According to the Akzo statement, first quarter chemical fibre sales were up 28 per cent to Fls.1.05bn. from the same quarter last year, chemical pro-

AMSTERDAM, May 6.

ducts up 15 per cent, to Fls.523m. and pharmaceuticals, etc. were up 23 per cent to Fls.523m.

The company said that in the first 1976 quarter, cash flow amounted to about Fls.180m., compared with about Fls.60m. last year. Interest-bearing liabilities did not increase, while liquid funds remained on par with the position of end-1975. Capital expenditure for property, plant and equipment declined to Fls.110m. (Fls.175m.).

At today's annual shareholders' meeting, the Akzo proposal to pass the 1975 dividend was approved. Akzo supervisory Board Chairman Dr. Jan Van Den Brink, who is the joint Chairman of Amira Bank, said that the Akzo management Board had done everything possible to sort out the company's problems. In an obvious reference to heavy union resistance to the reorganisation planned at Enka, in one time site Dr. Van Den Brink stated that it had been very difficult to accept that measures could not be carried out as quickly as necessary from the purely economic point of view.

The Akzo supervisory Board Chairman, who remained optimistic about the company's growth prospects, also mentioned the problems at Enka in 1972 when a then badly needed restructuring programme was stopped by union resistance. "An important factor then was that the social partners did not appear to be convinced of the need for the reorganisation as long as a big multi-national company such as Akzo was still making what they considered reasonable profits. It appears that only once a company is in a clearly lossmaking situation would economically necessary measures appear to be accepted in a broader circle."

## KNSM decline forecast

BY MICHAEL VAN OS

**KNSM**, the second largest Dutch shipping company, also anticipates that the current year's volume to and from the areas, profits will be down in the second half already reduced 1975. It states in the annual report, published here to-day, that the forecast was

AMSTERDAM, May 6.

led to autonomous, or Government-mandated import reductions. This resulted in lower transport profits will be down on the particularly in the second half already reduced 1975. It states in the annual report, published here to-day, that the forecast was

Fls.71m. in 1975 from

Fls.675m. the year before, with the aid of the now consolidated 60 per cent stakes in both Mammoet, the heavy transport company, and Transavia, the year. There would be some rapid expansion in air freight activities, however.

It said in the report that the reduced income from raw materials and the higher energy

The KNSM operating result fell back to Fls.24.8m. (Fls.28.7m.)

costs caused several countries in which was mainly attributable to the areas where the company was active to have balance of payments problems—and that this which were being reorganised.

# Hoechst sees partial recovery

BY GUY HAWTHORN

**THE UPTURN** reported by the West German chemicals industry at the end of last year has strengthened into a sustained recovery. Hoechst, one of industry's "big three," today disclosed a major advance in both profits and turnover in the first quarter of the current year.

However, Dr. Rolf Sammet, chairman of the Hoechst executive Board, pointed out that it seemed highly unlikely that this year would see a return to 1974's record levels. If the current growth rate was maintained, he said, this year's results would compare with those of 1973.

At this stage, Dr. Sammet is chary of dividend forecasts. Last year, the group's stock market has been faster at home than out, at the half-way stage and abroad. The concern's domestic materialised. It was "theoretically possible" to maintain 1974's above the DM1.72bn. recorded

DMS9 per DMS nominal share in the first three months of last year. While the upswing came too late and the recommended dividend has been slashed to average. Overseas turnover

Hoechst remained committed to a flexible dividend policy, said Dr. Sammet. It was difficult on the present figures to make firm predictions but, if the remaining three-quarters of the year advanced in exports than in the first there was a chance that over, at DM1.17bn. in the first quarter of 1976, was 14.2 per cent up on the DM1.03bn. of former dividend level. Pre-

sumably this means that Hoechst could pay a similar dividend to 9.7 per cent up on the DM1.03bn. of the DM2.50 of 1973.

The concern's world turnover

in the first quarter of the year DM1.20bn.—13.7 per cent above

DM5.59bn. (F1.21bn.), the first quarter of 1975 and 14.9

This was a full 17 per cent up on the year's

above the DM4.78bn. reported

quarterly average. Exports as a

in the first quarter of last year proportion of turnover rose from

and 7.6 per cent above the last year's average of 49.4 per

and 7.6 per cent above the last year's average of 50.5 per cent although

Hoechst AG, they still remain slightly under

age. Figures for Hoechst AG showed the 50.6 per cent of the first

quarter of 1975 with 14.4 per cent improvement on quarter of 1975.

Profits have shown a major

improvement. Hoechst AG's pre-

tax earnings in the first quarter

totalised DM215m. (F45.5m.).

This exceeds the DM1.50bn. of

first-quarter 1975 by 19.4 per

cent and stands 53.8 per cent above

the last year's DM140m. quarterly average.

Dr. Sammet said that the 53.6

per cent increase brought the group back to the same level of profitability as in 1973. To reach

the 1974 levels a 7.6 per cent

improvement would be needed.

Costs had risen heavily in 1975

and in some cases raw materials

had risen by 350 per cent.

Prices, particularly in the fibres

sector, would have to rise sub-

stantially—in the export field by

possibly as much as 20 per cent.

In his autopsy on 1975, Dr.

Sammet placed a large share of

years of profit, the sector re-

still be its second highest on record. Two years ago, the company earned Fls.3.5m.

Pioneer Sugar, the second largest producer, expects earnings to fall

from Fls.13.6m. to Fls.12.5m., while

the smaller Haughton Sugar Co., controlled by the industry leader CSR, expects profits to

drop from Fls.9m. to Fls.25.000.

The forecasts are based on esti-

mates of final sugar prices received.

It was obvious, with the dip in sugar prices during the

year, that the bonanza results of

1974-75 would not be repeated

this year. However, Pioneer's

forecast result for 1975-76 would

be a pleasant surprise to-day.

In the bond sector of the Euro-

market, Union des Banques

Arabes et Francaises is issuing

a \$25m. five-year floating rate

note. The spread will be a

quarter of a point and with a 7.1

per cent floor. Credit Lyonnais and First Chicago Limited are joint lead managers.

Massey Fergusons is to float a

\$50m. 15-year Eurobond.

Indicated coupon will be 9 per

cent. Consolidated external group

turnover—including all sub-

sidiaries in which Mannesmann

holds more than 50 per cent—

advanced by 5 per cent, against increased from the previous

1974 to DM13.1bn. (\$2.84bn.). Net year's 10 per cent.

reached by 68 per cent from the

stated that it was planned to

make a special issue of shares

to the group's workers in the

Federal Republic. On July 1,

that figures for the first nine

months showed a slight deteriora-

tion in overall profits—albeit

just how much was not spelled

out.

The bond market was still going

through a difficult period while a

majority of the bonds were held by

investors in the United States.

In December, they had been told

that figures for the first nine

months showed a slight deteriora-

tion in overall profits—albeit

just how much was not spelled

out.

In 1974, the group pushed up turnover by 31 per cent. While no

details of the year's performance

were given in the report, growth

seems to have come almost

entirely from exports, in which

the group's substantial East

European business played a

minor role.

Shareholders at July 1's annual

meeting will be asked to approve

an unchanged annual dividend of

14 per cent—or DM7 per DMS nominal share—plus 2 per cent

bonus. In 1974, the dividend was

under the high level of the first

quarter of 1973.

This means that despite the

group's strong performance in

1975, the group's earnings

will be down 17.3 per cent to

Fls.8.43bn. (F1.22.9m.).

The company's earnings in 1975

fell 17.3 per cent to Fls.12.5bn.

Net year's 10 per cent.

The interim statement also

stated that it was planned to

make a special issue of shares

to the group's workers in the

Federal Republic. On July 1,

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Net year's 10 per cent.

The interim statement also

steps

# Ayer Hitam turns in a record output

BY MALCOLM DUMPEREIT

**T**HIS first batch of tin outputs from Malaysia's mines for April, one of the Tronoh group, Mr. J. C. Heinrich has said, that the value of the Republic's net gold output this year will probably exceed the \$2.3m. reached in 1973 despite the lower bullion price.

He added that net output would continue to benefit from last

month's rise in the price of tin, up to the No. 2 dredge. The figures for Tronoh, Sengkang and Sungai Way, total 1,000 tonnes. Way's tonnage total 443 tonnes compares with 398 for the same period previously. Sungai Basi's figure is down on the 196 tonnes of yesterday.

The companies will be awaiting the outcome of the current international Tin Conference, which is due to whether there will be a further relaxation in export quotas or a raising of the ceiling of the Tin Agreement which governs the dealings ranges of the offer stock manager.

Now that the way has been cleared for the eventual Malaysian take-over of the White Star, the tin companies within that country bring the added advantages to a UK shareholder of restricted dividends and the initial benefit of the investment premium added to the share price, is not beyond the bounds of possibility that the tin group companies will follow suit. In Ayer Hitam's case it would be particularly interesting.

**SHARP FALL IN GOLD PROFITS**

Reflecting the lower March quarter average price received by individual miners, total profits for South Africa's gold and uranium producers for the first three months of this year have dropped to R269.45m. (\$18.22m.) from R284.04m. in the December quarter of 1975.

Profits for the first quarter of last year were R231.04m. and the year's total came out at R243.45m. compared with the record R15.6bn. for 1974.

**ROUND-UP**

The Rio Tinto-Zinc group's 81 per cent owned Canadian Precision Mines reports a fall in first-quarter net earnings to \$1.35m. (\$1.75m.) or 35 cents (19.5¢) a share compared with \$1.6m. or 46 cents a share for the same period of 1975. The decline reflects the company's 43.6 per cent stake in Rio Algom, which recently reported a downturn in its net earnings for the third quarter of 1975 from \$8.5m. previously.

The latest increases will take an underground journeyman's artisan or tradesman wage to \$473 (\$400), a month from \$422 previously.

American's Kennecott Copper expects that 1976 will be a profit year despite its first-quarter loss of \$1.1m. (\$1.0m.) compared with a profit of \$8m. or 21 cents

last year. The company's 51 per cent interest in the large number of low grade mineralisation which have already been outlined at the prospect, which overall average 2 per cent copper and 1.3 per cent zinc over 20-tonnes.

Rising copper prices have increased the mine's economics, it was considered profitable at copper prices in the region of \$4.50 a tonne, up from \$4.00 a tonne Government-owned Daishin Coal Corporation. It is planned to increase DHCC's output to some 62,000 tons by 1979 from last year's 47,000 tons which was around 20 per cent of Korea's total production.

**DENISON £223M. COAL PROJECT**

More than \$C400m. (\$223.8m.) is to be spent on the development of the Quintette high-grade metallurgical coal prospect just south of Chetwynd in north-east British Columbia. Partners in the venture are Canada's Denison Mines with 25 per cent, Alego Standard of the U.S. with 38.75 per cent, and Japan's Tokyo Fuel and Mitsui Mining sharing 25 per cent.

Denison will be the operator of the project which has a start-up date of 1981 and will reach full production of 500,000 tpa by 1982. Denison is Canada's second largest producer of uranium and had record earnings of \$25.5m. (\$14.1m.) in 1975, more than double those of the previous year.

**MINEWORKERS' PAY RISES**

Standard rates of pay for white miners at South Africa's old mines will be increased by between R36 and R57 (£2.25 and £3.40) a month from the May 1st onwards says the Chamber of Mines. About 15,000 men will benefit from the rises, but a chamber spokesman declined to estimate the cost of the awards to the industry.

The increases, which do not apply to trainees, are said to be within the terms of the anti-inflation manifesto. Wages were last adjusted a year ago with the current increment being part of the latest pay round. Wages of black mineworkers are scheduled for review within the next two months.

The latest increases will take an underground journeyman's artisan or tradesman wage to \$473 (\$400), a month from \$422 previously.

**BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION**

**World Value of the Dollar**

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, May 5. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources. Exchange rates listed are middle rates between buying and selling rates as quoted between banks. Where a multiple exchange rate system is in operation (m), the rate quoted is the commercial rate unless otherwise indicated. All currencies are quoted in foreign-currency units per one U.S. dollar except for U.K. sterling (and these currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked.

All rates quoted are for indication purposes only and are not based on and are not intended to be used as a basis for, particular arrangements.

By quoting the following exchange rates, Bank of America NT & SA does not undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

**bank of America**  
dollar/Libor as of May 6 at 11.00 a.m.  
3 months: \$1.61  
6 months: \$1.61

**SDRI=\$US1.14980**

**COUNTRY** **CURRENCY** **Value of DLR** **COUNTRY** **CURRENCY** **Value of DLR**

Argentina Peso 16.4822 Brazil Real 1.6185

Australia Dollar 1.4192 Chile Peso 1.6182

Canada Dollar 1.6182 France Franc 1.6182

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BY QUENTIN GUARDHAM

## Weinberg sees the death of the giants

"I was reading out the death sentence (on the property investment company). But that wasn't intended to be a bearish statement."

Mark Weinberg, managing director of Hambro Life Assurance, is not given to talking Irish, and these remarks at the end of the paper he presented to Jones Lang Wootton's conference on Wednesday, are quite logical providing you accept his basic thesis: institutions want to see 20 to 30 per cent. of their funds in property; property shares are, mainly for tax reasons, a bad way to invest in property; so the institutions must buy the companies and, despite being anachronistic and inefficient investment medium, the companies will fetch good prices for their shareholders in their funeral rites.

If it isn't bearish, how bullish is this argument? If the major property investment companies are doomed to show no more than a five per cent. return, they will be swallowed by other institutions, and eventually to us. The lethal blow had really been struck by Corporation Tax Stock Market interest rates had in the 1965 Finance Act, he said. It was then the strong portfolio of property and fixed interest which had enabled the developers to better be swallowed in order to partly the rush of new institutional

offer hope for shareholders of the rest.

Weinberg emphasised the swallowing capacity of the institutions (a single year's investable cash flow from the pension funds and insurance companies being enough to buy the entire cross assets of the quoted property companies). He also gave his own forecast of the speed of acquisitions. The funds would like to get their property holdings up to 20 to 30 per cent. of their total holdings (and this must imply buying out the companies) in "years rather than decades".

What he did not forecast was the price the institutions should pay. But in answering a question about suitable discounts for shares to be selling at now, he indicated that the institutions should be able to take over costs, stamp duty, etc. out of the discount they could buy at. So something below net asset value was called for.

That is the institution's natural desire, and we will know a lot more about what the market thinks on this point of pricing by the time the Sun Life, Artesian and Welfare-Keith and Henderson bids are settled one way or the other.

The advantage of a company's gearing to a fund was illusory, argued Weinberg, because in buying a geared company's shares an institution was really only buying a proportion of property and a proportion of fixed interest investment. It could equally achieve the same balance by adjusting its own direct portfolio of property and fixed interest.

To these factors had to be added the volatility of share prices, with Weinberg saying that a large block of shares was an investment less liquid than a building. The new insurance regulations on solvency margins made mobility more necessary than before.

Weinberg then moved into the field of personal investment. Here, the logic of buying bonds rather than shares is (as we all know largely through his efforts) impeccable. What is not so certain is how far the individual regards them as comparable investments, or how far the monthly payment to one cuts down the racing money on the other.

But the private investor will not be enough to sustain the share prices of major groups, even though the institutions fail to swallow them, they still bail out of the shares. The private investor, according to Weinberg, will be left to invest in the rockier companies which, left on the shelf in the institutional marriage season, may survive to jog along on portfolios of secondary properties providing high yields.

His other two survivors are the pure development group, and the construction company which wants to hold its reserves in the form it knows best: property.

So within a decade, the major property investment companies will be gone, all the famous names swallowed. It is an intriguing idea, if only to work out who could digest Land Securities. But then what won't necessarily be swallowed by the institutions, or whoever "directs" them, control by 1980?

The 60 per cent. of industrials in its portfolio may explain the more favourable result a Jones

Lang Wootton valuation on the Amsterdam, Brussels and The Hague, and has them all let.

Brixton Estate compared with Artesian. Both are on the straight open market basis.

Brixton had last been valued in December 1972, when JLW had covered £46m. worth of properties. Included this time were nearly 59m. (at cost), the valuers were looking at buildings shown in the accounts at £54.7m. They have decided they are worth £58.3m.

A drop in the original valuations of around 10 per cent. (it could have been 20 per cent. on a more usual portfolio mixture) may be indicated, with some more recent successful developments like Dunstable making up the lost ground. Whichever way the sums were done, they must add up to a confirmation of industrial values even in a week when office sales have made the more exciting news.

## OUT AND ABOUT

● Coinciding with planning permission for SavaCentre (Saville and British Home Stores) to build a 70,000 square foot store at Artesian, Tesco is to build over additions since then, meaning the valuers were looking at buildings shown in the accounts at £54.7m. They have decided they are worth £58.3m.

● Class distinction rule from Sir Robert Black, chairman of Clerical, Medical and General Life Assurance Society (properties in balance sheet at £82.2m., estimated market value £92.1m.): "With its large and well-spread portfolio of properties, the Society does not feel the same sense of urgency to buy properties as may be the experience of some less well-established funds... In our view, the biggest disservice that can be done to property investment at the present time is to encourage the buying of secondary property on too low a yield basis. There is nothing inherently wrong with secondary property, provided it is not overvalued. Much of the property now on offer is hardly good enough, we believe, to justify the general description of 'secondary' with which it has now become fashionable to label it."

● After two years of talks, Lesser Land looks to have found a profitable solution to its West site at Longchamps, the Paris site of Peat Marwick Mitchell, which is not overvalued. Much of the property now on offer is hardly good enough, we believe, to justify the general description of "secondary" with which it has now become fashionable to label it.

● A rare deal between British and Brazilian developers: London Sackville Property Holdings, through Dutch associates, is investing in a São Paulo residential development by quoted group Construtora Adolpho Lindenberg, as a first step into the Brazilian market. Initial investment is only the equivalent of £250,000, but London Sackville should increase this to represent 9.25 per cent. of a £10m. refurbishment small offices in project.

Blackfriars Station, backing onto the Thames in the City of London, in 1971 and yesterday. Later this month accountant Peat Marwick Mitchell move into the completed first phase (left) of the redevelopment, the first and only commercial development that British Rail has undertaken through its own Property Board rather than in association with an outsider. But at Blackfriars, BR did join forces to assemble the site with King's College, Cambridge, which owned the country's oldest public cold store standing next door to the station. Peat Marwick will also be taking the second phase of the development (right), when completed next year, making a total of 100,000 square feet of offices.

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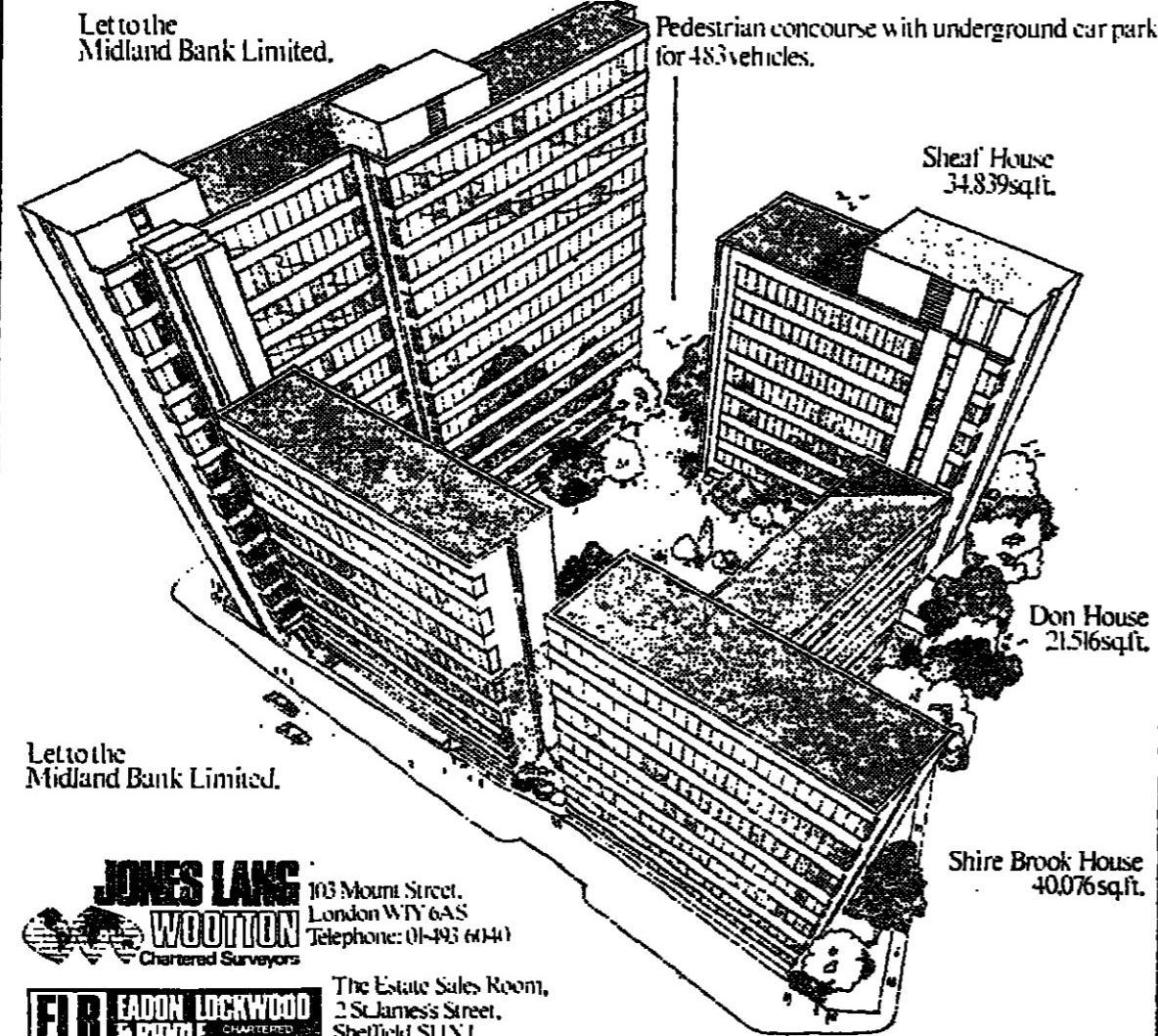
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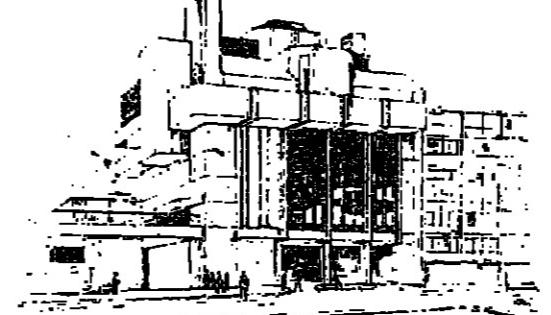
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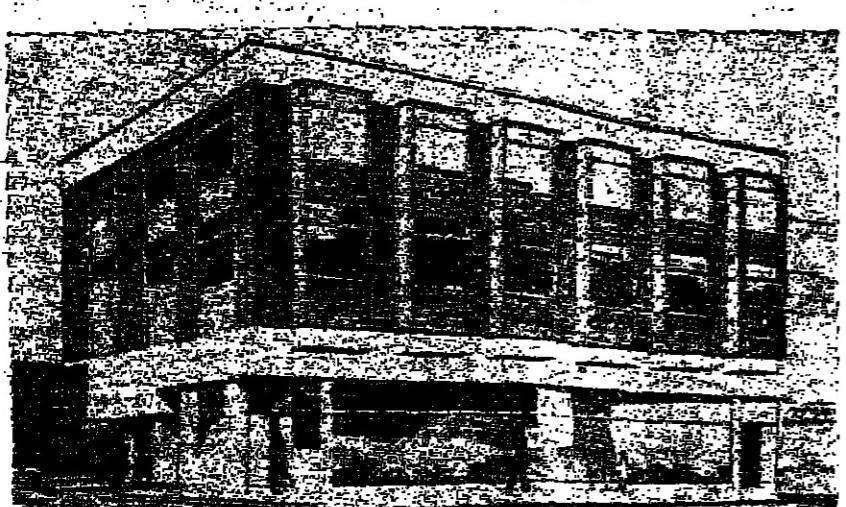
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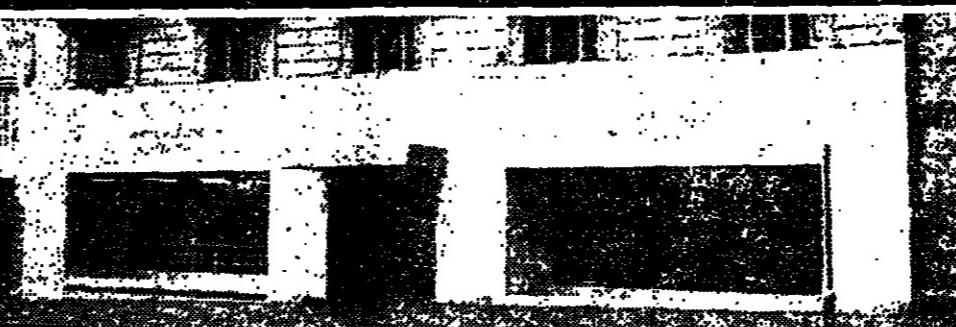
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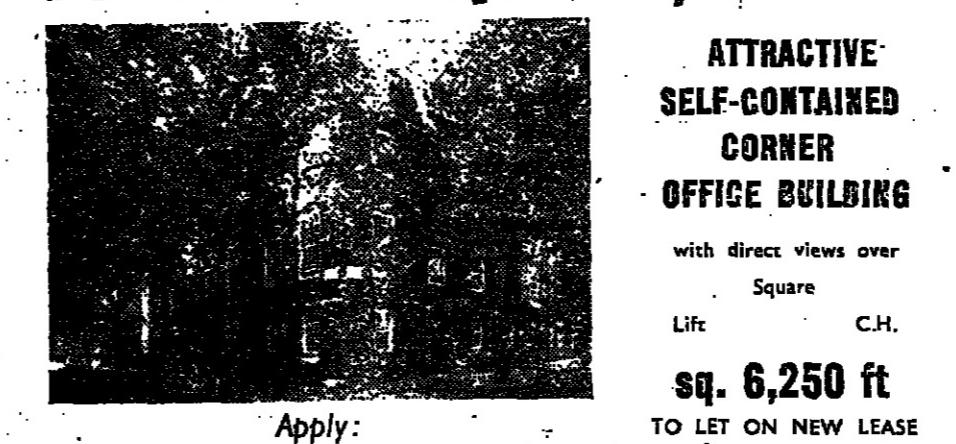
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## NORTH SEA OIL REVIEW

## Bringing new oil ashore

**SHELL AND Esso** proudly presented their latest £3.5bn offshore exploration and development programme yesterday. Their joint operation is currently spending £1.5m. every day in the U.K. sector, much of it on developing the Brent Field. But the duo has longer term plans including the exploitation of the Cormorant Field extension and the Tern Field, and it has hinted that it might be ordering new platforms at the rate of one a year from 1977 to 1980 or beyond.

It was perhaps fortunate and certainly not calculated that the companies should have chosen this moment to unveil their plans. For earlier this week they had received an indirect Government warning about the next round of exploration licences. According to reports from Houston, Texas, Mr. Clarence Tuck, a Permanent Under-Secretary at the Department of Energy, repeated the Government line that companies had agreed to state participation terms would be given preference in the fifth round allocations. The implication is that companies, like Shell and Esso, which have not agreed in principle to participation, will be discriminated against. But is this a realistic stance?

Mr. Bill Bell, chief executive of Shell U.S. Exploration and Production, commented: "We hope that the Government will judge us on our record of having the biggest involvement in the North Sea, and having a very successful record in the national interest." In this context, it is difficult to see how the Government could afford to fly in the face of Shell and Esso at a time when it is looking for financial and technical resources like theirs for the next phase of North Sea development.

Oil will be pumped from the already located Brent "B" platform into the production platform into tankers. By the early 1980s, when the pipeline, Shetlands terminal and four production platforms are functioning, output should reach a peak of 450,000 barrels of oil a day. The final cost of developing the Brent field is now estimated at some £1.8bn. Around £100m. of it is going on the construction of the Brent "A" platform (see illustration) which was successfully floated out from Methil Fife, into the Firth of Forth this week. Once the deck structures have been installed, it will stand 780 feet, the tallest steel platform to be erected offshore anywhere in the world.

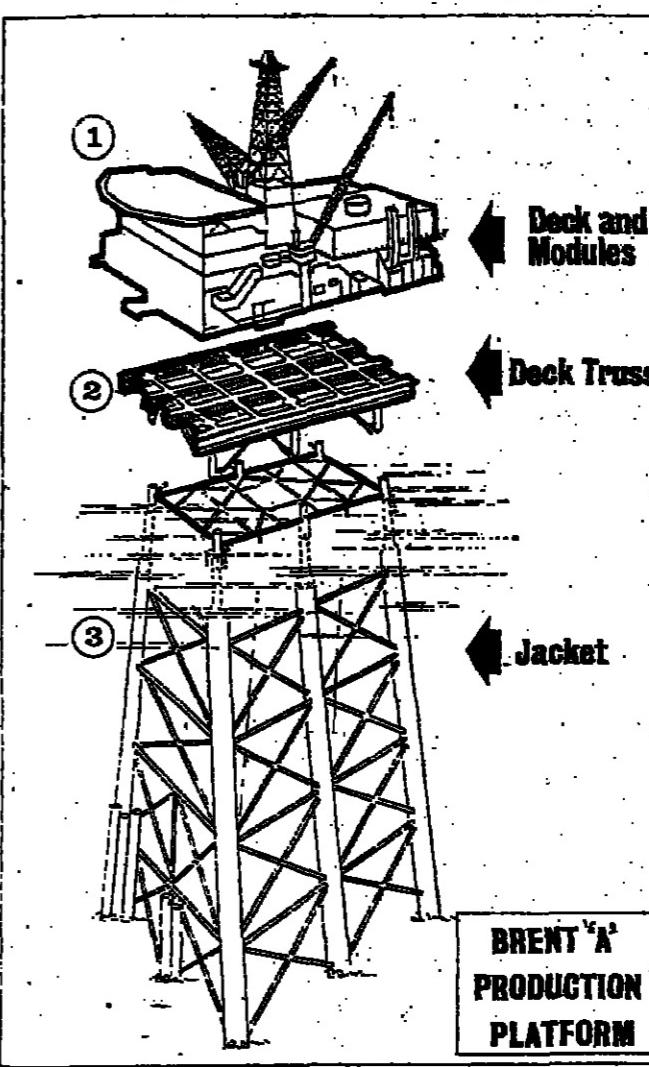
New deep water engineering techniques are being used to overcome piling and other problems in 460 feet of water. It is expected that the installation alone will cost Shell-Esso around £40m. That is one of the principal reasons why the duo is anxious fully to appraise seabed conditions on Tern and Cormorant before deciding on whether to order concrete, steel, or floating production platforms.

Another more human problem which Shell and Esso—along with other companies—have been trying to overcome concerns the associated storage facilities at Sullom Voe in the Shetlands. The industry is at odds with the local council whether or not storage should be underground. Until recently the two sides appeared to be deadlocked: the oil industry insisting that it was commercially and technically desirable to have overground storage. According to Mr. Bell, the two sides will start coming together within the next couple of months. With the Brent pipeline due to be completed later this year, oil should start flowing through Sullom Voe in early 1978. Even so, this is an appreciable delay to original plans and confirms the companies' foresight in providing alternative tanker-loading systems.

The Occidental Group, which chose Flotta in the Orkneys as its shore terminal for the Piper and Claymore fields, appears to have had a smoother ride. The group disclosed this week that the 130-mile Piper pipeline is in the final stages of testing. The construction of a terminal for Piper is nearing completion, so that the first oil should be flowing from the field by October.

Output from Piper this year was expected to start at around 15,000 barrels a day. It is understood, that within Occidental there are hopes that the true figure might work out at between 30,000 to 45,000 barrels a day. Eventually the field, with estimated recoverable reserves of some 800m. barrels, should be producing 200,000 and 250,000 barrels a day.

Oil production from Brent should begin "in the second half of the summer," according to Mr. Bell of Shell. Initially



BRENT 'A'  
PRODUCTION  
PLATFORM

last night Texaco named 15/16 find and took of like development by 1980.

Apart from Brent and Piper two other fields are due to stream this year—Mobil's Bass and Amoco's smaller Montrose find. The Beryl Field was due to come on stream in January, but the tanker mooring broke free from its concrete base in December. The buoy—a 480 foot tower—is currently anchored off Stavanger and is expected to be towed to the field later this month. Assuming there are no further problems, Beryl should be producing by June or July with output building up to 30,000-40,000 barrels a day by the end of the year.

The Amoco group has also started production drilling from its Montrose platform and appears that the first oil will flow in July or August, reflecting on schedule. The field is to be developed by the tank loading method. Two wells will collect crude from a single buoy mooring unit which are currently in Newcastle awaiting shipment to the field. Initial production should be at the rate of 10,000 barrels a day rising to a peak of 50,000-60,000 b/d.

Finally, the mystery of the field that isn't. On page 45 of the Government's latest offshore oil and gas report, the so-called Brown Book, we find scant reference to a newly-named field, the Lyell Field. Helpfully, the Brown Book reports that it is part of the Brent formation lying in the Middle Jurassic zone. But that is all the information given.

Investigation reveals that the Department of Energy may have been hasty, to say the least. Lyell is the working name of the discovery on Continental Oil's 3/2 block. The name—after the 19th century Scottish geologist Charles Lyell (1795-1875)—was never officially ascribed to 3/2, nor indeed confirmed by Conoco. This is hardly surprising. After all, only one well has been sunk to proceed with production on the block, and the committee of adjoining 14/30 and 15/16 blocks and use the in the words of a leadin

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Preliminary Profit Announcement for the year ended 31st March, 1976

Group Earnings and Dividends

The unaudited Group earnings for the 12 months ended 31st March, 1976, compared with the previous year, are as follows:

	1976	1975
R000	R000	R000
Sales .....	459,516	388,424
Profit before taxation .....	24,575	23,030
Taxation .....	10,639	10,027
Profit after taxation .....	13,933	13,003
Preference dividends .....	115	115
Earnings per equity share .....	13,818	12,888
Equity dividends .....	6,905	6,429
Retained Earnings .....	6,913	6,459
Net extraordinary loss (1975 Profit) .....	227	(3,135)
Cents Per Share .....	116.1	108.2
Equity Dividend .....		
Interim paid 19th December, 1975 .....	20.0	18.0
Final payable 9th July, 1976 .....	38.0	36.0
	58.0	54.0

## Comments:

The sales increase of 18.3% exceeds the national retail sales growth of 16.5% during the same period.

As forecast in the interim report, earnings have not maintained the same rate of growth during the second half of the year. The slower rate of growth has resulted from—

1. The Government's anti-inflation programme, the impact of rising costs and reduction in gross margins.
2. Costs relating to the establishment of the Group's first supermarket, and a stock clearance of "end of the season" fashion merchandise following a poor summer. These costs totalled approximately 9 cents per share.

Dividend

The final dividend has been increased by 2 cents per share making a total increase of 4 cents for the year.

## Future Outlook

Sales should be strong in the market sector in which the Group operates and, therefore, turnover growth should be maintained. With continuing reductions in gross margins through competition increased profits in line with sales growth can only be achieved if costs can be contained during another inflationary period.

It is anticipated that the key objective of effective cost control will be achieved and result in further growth in earnings.

## Financial Statements

It is anticipated that the annual report and financial statements will be posted to shareholders on 4th June, 1976.

For and on behalf of the Board,

R. J. Goss (Chairman)

C. G. Atkinson (Managing Director)

## Declaration of Dividend:

Notice is hereby given that final dividend No. 69, at the rate of 38 cents per share in respect of the financial year which commenced on 1st April, 1975, has this day been declared payable on the 8th July, 1976 in the currency of the Republic of South Africa to all holders of Ordinary shares registered in the books of the Company at the close of business on 28th May, 1976. Non-resident shareholders tax of 15% will be deducted where applicable.

The





## ARMING AND RAW MATERIALS

## Pacific Exchange to liquidate

SAN FRANCISCO, May 6.

PACIFIC Commodities, in light of the "continued deterioration in trading," has decided to liquidate.

The exchange's directors said from today, trading in futures contracts would be permitted for liquidation only until close of business on May 10, at which time the exchange would determine final settlement price.

Open futures contracts on date would be liquidated by Exchange at that price.

They said the trading had deteriorated to a point where orderly trading was longer possible. They had decided, therefore, to suspend and would make an immediate request to the Commodity Futures Trading Commission that the Exchange's tract designations be allowed again, to enable the exchange consider plans for reorganization.

The directors said they would issue to explore alternatives to reorganization of the agency.

February, the Trading Commission warned the Exchange it must overcome its financial problems or face possible closing. The Commission

expressed concern that recent commodity moves by the exchange have weakened enforcement.

Exchange rules and investors vulnerable.

The range has sold futures contracts for palm oil, coconut oil and cattle.

Dow Jones

## London coffee prices soar to new records

BY RICHARD MOONEY

COFFEE PRICES yesterday continued their week's spectacular rise, tumbling £17 before attracting further trade buying and a July position closed only £7.25 up on the day, at £1,943 a tonne. The July position climbed to a record of £1,439 a tonne at one point, took no notice of 1975-76 export quota limits, and did not take part in the post-break decline to the same extent as nearby prices.

Market sources said there was a significant amount of trade business, and the slight fall in sterling could have had a marginal effect on prices.

They agreed that the price rise was mainly due to speculative buying largely inspired by charterists—the later fall being generally attributed to profit-taking.

Most dealers dismissed reports of buying difficulties as "old news."

However, tightness of the terminal market also continued to the end yesterday, but the UNCTAD conference that the International Cocoa Agreement (ICA) was re-negotiated for shipment during June, July and August.

Reuter reports from Nairobi that U.S. Secretary of State, Dr. Henry Kissinger, has told the U.S. it is ready to re-negotiate the International Cocoa Agreement if other parties are interested.

Enthusiastic buyers pushed nearby positions higher in the morning and the £20-per-tonne limit was reached during mid-morning. After the mandatory 30-minute break in dealing, charter buying pushed prices still higher, July cocoa sign the agreement on the reaching £1,955 a tonne at one grounds that it was based on exports, rather than sales.

But nearby prices then rose to 18.5m bags (60 kilos each) in 1975/76.

Prices on the London cocoa terminal market also continued to rise yesterday, but the selling trimmed to a record gain in nearby positions.

He said cocoa was now available for forward metal before any changes are announced.

A Council statement is expected to-day.

Deutsche, believed to be on behalf of the ICA's buffer stock manager, the price of three-month standard tin in London reached a record of

## Tin prices reach new peaks

BY OUR COMMODITIES STAFF

TIN PRICES soared to record levels on the London Metal Exchange yesterday, influenced by strong demand, particularly for three months' metal.

With the International Tin Council deliberating for the second day on possible changes in the fifth International Tin Agreement (ITA)—due to come into force from July 1—a lot of the activity was attributed to increased demand for forward metal before any changes are announced.

A Council statement is expected to-day.

Despite sales, believed to be on behalf of the ICA's buffer stock manager, the price of three-month standard tin in London reached a record of

£2,000 per tonne.

Standard cash tin rose by

£2,075 on the day, to close at

£2,037.5 a tonne, a new peak for the year, but below the £2,045 record set in September 1974.

The buffer stock manager

was also thought to have sold a large quantity of tin in

Penang, where the price of

SMI,101 a picul was still SMI,

but he believed the

pact, negotiated a few months ago, was unlikely to improve

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market. (The U.S. refused to

have cocoa available for ship-

ment during June, July and August.)

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# STOCK EXCHANGE REPORT

## Gilts progress further but equities still uncertain

Share index down 2.8 at 417.8—Turner and Newall react

### Account Dealing Dates

**Opinion**  
First Declara- Last Account Dealings Day

Apr. 20 Apr. 29 Apr. 30 May 11

May 3 May 13 May 14 May 25

May 17 May 27 May 28 Jun. 9

"New line" dealings may take place from 9.30 a.m. two business days earlier.

Following overnight considera-

tion of the agreed TUC-Govern-

ment pay deal, British Fluids

made another good showing, but its

equity failed to hold firm.

Small improvements.

With considerations in light of

the projected fall in the rate of

inflation were again the main

factor in the Gilts-edged sector

where an active day's trading in

the later maturities, particularly

the long "tap" stock, left closing

gains ranging to 1%.

Short-dated issues extended to

1% higher and the Government

Securities index put on 0.35 more

to 62.92 for a rise of 0.72 over the last two

trading days.

Lending industries were

marked up a penny or so at the

start, but drifted off to close 2 or

3 lower on balance.

Up 1.3 at 10 a.m. the FT 30-share index

ended the day a net 2.8 down at

417.8. Vague talk of the possi-

bility of a large fund raising issue

from ICI, 5 off at 394.5, unsettled

issues in the day's reaction

mainly reflected in the 1% fall in

follow-through support. Although

the results from Dunlop were

better-than-expected, the price

closed 2 cheaper at 93p on the

liquidation of recent bull posi-

tions. Turner and Newall were

a weak market at 180p, down 7,

after 15p, following adverse

Press comment on a trade journal

on the use of asbestos.

Secondary issues were narrowly

mixed, but falls just had the edge

over rises by 6.5 in FT quoted

Industries. The FT Actuaries All-

Share index eased 0.4 per cent to

171.14. Trading conditions

remained quiet, although there

while National Bank of 9001, Taylor Woodrow, at 280p, reacted 50 to 285p. GEC, 183p,

Plessey, 79p, were both

markings of 3.702.

Stimulated by predictions of a U.K. rate of inflation of only 4 per cent, by the end of next year, the long-dated Gilts-edged really came into their own yesterday. To meet a substantial demand, particularly for the "tap," Treasury 12 per cent, 1993, A.T., the Government broker raised his price, which had put on 3 to 68p. Among Merchant

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**KITCAT & AITKEN**

(Members of The Stock Exchange)

**Insurance Broking Shares**

A copy of our latest note on the major U.K. quoted insurance brokers may be obtained from the Research Department, 9 Bishopsgate, London EC2N 3AD, 01-588 6280.

**FT SHARE INFORMATION SERVICE****CANADIANS****BUILDING INDUSTRY—Continued****DRAPERY AND STORES—Continued****ENGINEERING—Continued****HOTELS—Continued****INDUSTRIALS (Miscel)****ELECTRICAL AND RADIO****CHEMICALS, PLASTICS****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS****AMERICANS****BUILDING INDUSTRY, TIMBER & ROADS****DRAPEY AND STORES****ENGINEERING, MACHINE TOOLS****CINEMAS, THEATRES AND TV****FOOD, GROCERIES, ETC.****HOLES AND CATERERS****FOREIGN BONDS & RAILS**

The Financial Times Friday May 7 1976



Friday May 7 1976



## Callaghan rules out an early election

BY RICHARD EVANS, LOBBY EDITOR

MR. JAMES CALLAGHAN, the Prime Minister, moved quickly yesterday to kill speculation that the Government was thinking of calling an early general election following its loss of an overall majority in Parliament.

The flurry of speculation was started by Mr. Michael Foot, Lord President of the Council, in off-the-cue remarks at a Labour Party meeting in Slough on Wednesday night. He was reported to have said that he wanted to see as quickly as possible a new general election in which we can get a full and proper majority in the Commons."

Mr. Foot, an influential voice in the Cabinet after his impressive showing in the leadership contest, argued that an election was the only way of dealing with the fundamental problems of the country. "I do not believe we can do everything we want without any majority at all," he added.

Mrs. Margaret Thatcher, the Conservative leader, pounced on the remarks in the Commons yesterday when she challenged the Prime Minister to take Mr. Foot's advice and call an early election. June is a good month for the Tories, as will be reflected, she added.

Mr. Callaghan, who has previously claimed that his administration could continue for further 2½ years, retorted: "The country has this week won a battle against inflation, but we have not yet won the war. The Conservative leader will cease to think about a General Election until that war has been overcome."

Later it was emphasised that

### Pledge by Heseltine

Mr. Michael Heseltine, Shadow spokesman on industry, told the Commons standing committee discussing the Aircraft and Shipbuilding nationalisation Bill that all or part of both industries would be returned to private enterprise under a future Conservative government.

It is the intention of the Conservative Party to unscramble those corporations (British Aerospace and British Shipbuilders) and to return to the private sector all or parts of those corporations at the earliest opportunity."

that Ministers have conceded the Opposition case for parity on Standing Committee, considering Government Bills, and this could make it more difficult to get controversial legislation through unscathed.

Mr. Foot tabled a motion after discussions with all Opposition parties that there should be parity despite the Committee on Selection ruling last week that Labour should retain its

Parliament. Page 14

## Equity bank to be set up by three major merchant banks

BY MARGARET REID

THE launch, expected next week, of the "equity bank"—Equity Capital for Industry—will be in the hands of three of the City's major merchant banks, Hill Samuel, Lazard Brothers and Morgan Grenfell.

Finishing touches are likely to be put to-day to the plans and prospectus for the long-discussed ECI, which will channel new capital to companies unable to raise it on the stock market.

An important role to be fulfilled by the three banks will be the formal application to a wide range of investing institutions for commitments to subscribe to the £50m. share capital of ECI. Signs are that institutions will be given the opportunity to take up more than the proportion of capital originally earmarked, for them should others prefer to play no part in the controversial venture.

It is believed that, even if the

full £50m. is not subscribed for at the start, ECI will be created, so long as the backing promised adds up to a reasonably large proportion of £50m.

On this basis, it is now certain that the venture will be successfully launched, despite a considerable volume of opposition to the concept from a number of institutions, notably some Scottish insurance concerns.

Another prominent City figure concerned with the finance of companies, and a chief executive, are expected to complete the ECI Board.

Special consideration has had to be given to the planning of the ECI project to the situation of the pension funds, whose tax position, as gross funds, is somewhat different from that of other institutions.

It seems likely that Mr. Ernest Bigland, who has chaired the City working party which has prepared the ECI scheme, will be among three directors drawn from the insurance world.

unit trust.

## Imports curbs sought as car sales rise

BY TERRY DODSWORTH AND KEVIN DONE

FURTHER INDICATIONS that the car market has bottomed out of the depression and is following the rising Continental pattern of sales came yesterday with official figures showing that in April they were 24 per cent. up on 12 months earlier.

The figures show remain at a high level. In an outspoken interview yesterday Sir William Baity, president of the Society of Motor Manufacturers and Traders, hinted strongly that he would like to see immediate import controls on Japanese cars.

The gentlemen's agreement between the society and the Japanese manufacturers on curbing imports had not worked effectively, he said. The Government was being too lethargic in its approach to Japanese imports, which should be limited to 9 per cent. of the market.

"The Japanese have completely taken over our British motorcycle market, and this cannot happen to the car and commercial vehicle industry. There has to be a level above which they cannot be allowed to go."

In a reference to the quota systems imposed by Australia and Italy against Japanese cars he said: "Australia has faced it. Italy has faced it, and Britain must face it."

Sir William's comments, made after the motor traders' annual meeting, will reopen the bitter argument of last year, after the car industry lodged its anti-dumping application against the Japanese.

Last night in a joint statement the two largest Japanese importers, Datsun U.K. and Toyota, said: "Sir William Baity is totally incorrect in his statement that the Japanese are flooding the country with cars."

The companies quoted figures showing that the Japanese market share had dropped in the first three months of the year. Vauxhall's to the Cavalier from 8.8 per cent. had fallen to below the 9 per cent. cut-off Alpine and other Simca models point suggested by Sir William.

## U.S. puts commodity bank plan

NAIROBI, May 8.

THE U.S. to-day put forward a far-reaching programme for boosting the economies of developing countries, with an international resources bank as the centrepiece.

Secretary of State Henry Kissinger, in an hour-long speech to the UN Conference on Trade and Development (UNCTAD), outlined what he called a major effort by the U.S. to deal on a comprehensive basis with commodity issues.

Soon after, however, France

criticised the U.S. proposals, toasting a "cynical" note

on the second day of the conference.

The French made a counter-proposal which they claimed was pragmatic rather than theoretical.

M. Jean-Pierre Fourcade,

French Economy and Finance Minister, said the world did not need yet another organisation.

He called for a "modest" role

in the next phase of offshore development. Shell and Esso

have emphasised their achieve-

ments and capability through

the "oil programme."

In the southern sector of the

North Sea, Shell/Essco are

already supplying about 30 per

cent of total U.K. gas consump-

tion, while in the northern sector

much of the emphasis is being

placed on Brent.

"Let us not give in to the illusion that we can solve problems by creating new organisations," M. Fourcade added.

The minister described Dr. Kissinger's address as political,

philosophical, theoretical and

moral.

Dr. Kissinger said that the

resources bank would channel

large-scale private investment

into the development of natural

resources in the Third World,

through the sale of commodity

bonds and would have an initial

capital of \$1bn.

High cost projects such as

mining of iron ore and non-

ferrous metals are the main

target of the bank, according to

U.S. officials, but Dr. Kissinger

made clear to-day that, if

necessary, the resources bank

could be used to finance buffer

stocks of other commodities.

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## Lancashire pit men reject pay proposals

BY ROY ROGERS, LABOUR CORRESPONDENT

THE NEW PAY policy agreement going a majority for the pay pack between the Government and the TUC had been planned if Ministers had insisted on retaining the Labour majority on the committees.

It was such a blockade Mr. Foot thought would justify calling an early election, although he was reported to be surprised yesterday at the future over his remarks.

The point he was making, it was emphasised, was that it was perfectly possible for the Government to carry on for a long time, provided it could get its legislation through.

Tory leaders continued to back autumn 1977 as the most likely date for the next election, although they stress how much they would welcome an earlier opportunity to return to power.

One of the major criteria of early victory would be the ability to kill controversial Bills now going through Parliament, including the pay beds legislation, the Education Bill, the Dock Work Regulation Bill and the nationalisation of the aerospace and shipbuilding industries.

Officially, the Government is now a Commons minority of three, but it can rely on support in most instances of two Independent Northern Ireland MPs who do not take the party whip but sit on the Government.

There are two by-elections pending in Labour constituencies and there is also the problem of two Labour MPs who have joined the unrecognised Scottish Labour Party and whose vote cannot be relied upon.

Today Mr. Len Murray, TUC general secretary, is to address the Lancashire miners as part of a major campaign aimed at securing

## THE LEX COLUMN

## Confidence grows at Dunlop

Index fell 2.8 to 417.8

5ip per share compared with 8ip back in 1971.

For 1976, capital spending is

scheduled to bounce from £29m.

to £42m., which is one measure

of the group's new confidence.

Profits are higher after the first

quarter, with recovery under

way in the U.S. and France, and

the hope is that the U.K. will be

turning upwards by the second

half. Of course, it would be

dangerous to get carried away

by one set of good figures. But

the market does not seem to be

too far out on a limb with a

yield of 6 per cent. at 95p.

sources declining.

Operating profits may

have reached something of

plateau until such time as

demand picks up, but earnings

could nevertheless be up 7.8p to

some 12p this year.

The capital base is strong and

it is to make an early right turn

unlikely. The yield of 7.6p

is restrictive, however.

### Chemicals

The world chemical cycle

now picking up quite stro

and is definitely wor

through to profits by first q

quarter statements from

Hoechst and Akzo yester

The former reports world s

7.5 per cent. higher than

year's quarterly average and

group is now working at 80 per cent. of capacity aga

65 per cent. on average in 1

Consequently, the parent's

quarter pre-tax profits

DM215m. are nearly 54 per c

higher than last year's aver

and Hoechst is now back to

same level of profitability a

1973.

Akzo, which is much m

dependent on fibres, still

a long way to go to anyt

least it is now back in

black with first quarter pre

profits of Fls.65.5m. Akzo

the U.S. has been particula

strong but there is also a "d

int" improvement in chem

products and reduced lo

from Enka's fibre inter

Both groups, however, highl

continued problems in

fibres market with Hoechst.

example, urging further p

ises of up to 20 per cent.

